BERTRAND SMITH
"HAVEN OF BOOKS"
140. PACIFIC AVENUE
LONG BEACH 12
CALIFORNIA

Presentation copy
Scarce & important

To— George D. Hoffman

with the sincere regards of

Edward Stanley

May 1927

THE BRIDGE TO FRANCE

THE WAR SHIPPING BOARD

THE BRIDGE TO FRANCE

BY

EDWARD N. HURLEY

WARTIME CHAIRMAN OF
THE UNITED STATES SHIPPING BOARD

AUTHOR OF "THE NEW MERCHANT MARINE," "THE AWAKENING OF BUSINESS,"
"BANKING AND CREDITS IN ARGENTINE, BRAZIL, CHILE AND PERU," ETC.

25 ILLUSTRATIONS

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23
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1927

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DEDICATED TO
MY ASSOCIATES
IN THE WORLD WAR

FOREWORD

GERMANY never would have begun her ruthless submarine warfare on February 1, 1917, if the United States had possessed a substantial merchant marine. She knew that even if we had possessed two million well-trained men equipped and ready to embark at the time we declared war, we might have transported them with the help of the British; but our War Department would have refused to send them to France unless the Shipping Board could guarantee sufficient cargo-ships to keep them supplied with food and munitions of war.

During the first three months of Germany's merciless campaign, 470 ocean-going cargo-ships were sunk; and during the entire month of April the losses were 1,250,000 deadweight tons. One hundred and twenty-two ocean-going cargo-ships were sunk the first two weeks in April, after the United States declared war. The rate of the British loss in ocean-going tonnage during those two weeks was equivalent to an average round-voyage loss of 25 per cent.—one out of every four ships leaving the United Kingdom for overseas. In the first half of 1917, one British ship in ten that passed the Straits of Gilbraltar never returned.

Germany was well aware of our lack of ships; and in view of these enormous Allied losses, figured that it would be impossible for us to provide the cargo-ships needed to feed and maintain overseas an army large enough to prevent the execution of her plans to crush her enemies. The Allies, too, recognized our great need of cargo-ships; but they were helpless to give us any tonnage, for they had lost 6,000,000 deadweight tons to December, 1916, and then were losing 650,000 tons a month, making their total losses 8,000,000 deadweight tons for 1917. Hence, their urgent appeal to us for

" ships, ships and more ships! " if the war were to be won, was warranted by the acute necessity.

It was under these trying conditions that the United States Shipping Board and the Emergency Fleet Corporation assumed the task of acquiring, building and operating sufficient cargo-ships to maintain an army in France.

The men associated with me in this task were of the type that has made our country a great industrial nation. These men had only one objective—to help win the war. No other group of executives gathered together in such a short time could have accomplished more than they did.

When the United States declared war against Germany we had less than 50,000 shipyard workers. By the end of 1918 we were employing 350,000 and an additional 180,000 were employed in the 553 mills and factories that supplied the engines, boilers, materials, etc. Moreover, during this period we trained 42,000 men to man the ships at sea, which we acquired and built, 14,000 of whom were deck and engineer officers.

A summary of the achievements of the Shipping Board and Emergency Fleet Corporation is contained in the following excerpt from the report of a Select Committee of the House of Representatives appointed after the war to investigate the War Shipping Board:

"Considering the program as a whole, the accomplishments in the number of ships constructed, the tonnage secured and the time within which the ships were completed and delivered, constitute the most remarkable achievement in ship building that the world has ever seen."

I have felt that I should tell the story of the manner in which we provided and operated the oft-referred-to " Bridge of Ships." Therefore, as a business man and not as an author, I present this volume.

EDWARD N. HURLEY

Chicago

CONTENTS

CHAPTER		PAGE
	FOREWORD	vii
I.	LAUNCHING WOODROW WILSON	1
II.	APPOINTED CHAIRMAN	16
III.	PROVIDING A WAR FLEET	19
	Shipping Board is Created	21
	Emergency Fleet Corporation is Created	23
IV.	THE SHIPPING BOARD AND THE EMERGENCY FLEET CORPORATION	27
	The Denman-Goethals Controversy	27
	The Board Reconstituted	29
	Assuming My Duties on the Shipping Board	30
	We Commandeer the Shipyards and Their Hulls	31
V.	WE SEIZE THE INTERNED GERMAN SHIPS	39
	How We Acquired Enemy Ships Interned in Neutral Ports	41
VI.	SEIZING AMERICAN SHIPS IN SERVICE	42
	Impressing Lake Steamers into Ocean Service	44
VII.	THE EMERGENCY FLEET CORPORATION BEGINS ITS WORK	46
	The Fabricated Steel Ship—How Conceived and How Built	49
	Wood Ships Were Necessary	52
	Composite Ship	55
	Concrete Ship	56
	"Wagging Tongues"	57
VIII.	CONCENTRATING THE RESPONSIBILITIES	63
	Senate Committee Investigates the Shipping Board	67
	Piez is Made Vice-President and General Manager of the Emergency Fleet Corporation	70
	The Submarine Almost Won	72
	Man-Power and Shipping—The First Two Demands	76
IX.	HOG ISLAND	77
	Launching of the "*Costigan*"	88
	Protecting the Shipyards	92

CHAPTER PAGE

X. OPERATING THE FLEET 94

XI. SHIPPING CONTROL COMMITTEE 101
Franklin—Shipping Control Dictator 101
The Division of Planning and Statistics Gets the Facts 108

XII. TRADING FOOD FOR SHIPS 110
Japan 111

XIII. EXERCISING "RIGHT OF ANGARY" TO SEIZE DUTCH SHIPS 115

XIV. "HURLEY, WE MUST GO THE LIMIT" 118
What the Germans Thought of American Effort 125
If War Had Lasted Until August, 1919 129

XV. SCHWAB APPOINTED DIRECTOR-GENERAL 135
Handling Finances of Shipping Board and Emergency Fleet Corporation 141
Decentralization of Control 143

XVI. APPEALING TO WORKERS AND THE PUBLIC 147

XVII. SUPPLY OF MATERIALS 164
The War Trade Board 169

XVIII. WILSON AND BAKER AS PACIFISTS 173
"Work or Fight" 175
Recruiting an Army of Shipyard Workers 176
Should Industrial Draft be Extended to Industry? .. 178
Shipyard Volunteers 180

XIX. HOUSING AND TRANSPORTING SHIPYARD WORKERS 183

XX. OUR LABOR TROUBLES 186
Shipbuilding Labor Adjustment Board Created 187
The Government Paid the Toll 187
How the Delaware Strikes Were Handled 191
Consequences of the Macy Board's Policy 192

XXI. ALLIED SHIPPING PROBLEMS 196
Regulation by Chartering Committees 196
Allied Maritime Transport Council 198

XXII. FORCED TO BORROW BRITISH SHIPS 204

XXIII. MAKING SEAMEN OUT OF LANDLUBBERS 209
How Seamen Became Deck Officers 210
Oilers and Tenders Become Engineer Officers 211
Training the Seamen Who Manned Our Ships 212

CHAPTER PAGE

XXIV. PORT CONGESTION 215
National Adjustment Commission 217

XXV. PROTECTING SHIPS FROM SUBMARINES 219
Protective Methods Finally Adopted 220

XXVI. EDISON, FORD AND OTHERS 225

XXVII. CONVOYING SHIPS ACROSS THE ATLANTIC 232
Experimental Convoys 233
The Cruiser and Transport Forces 235
Escort Basis Established in Europe 235
Naval Overseas Transportation Service 236
Assembling Convoys 237
Convoys at Sea 238
The Submarine Beaten at Last 239
Men! 240

XXVIII. WAR RISK INSURANCE AT A PROFIT 246

XXIX. OUR LEGAL STATUS 250
Shipping Board's Law Division 250
Legal Division of the Fleet Corporation 251

XXX. CANCELLATION OF SHIP CONTRACTS 252

XXXI NORTHCLIFFE'S SUGGESTION TO WILSON; DISCUSSIONS IN EUROPE 256
"Freedom of the Seas" 260
Kerensky 262

XXXII. HOUSE AND HOOVER 264
Repatriating Our Soldiers 270
President Wilson and Food Relief for Germany . 274

XXXIII. WITH FOCH AND THE GERMANS AT TREVES 276

XXXIV. THE SPA AND BRUSSELS CONFERENCES 286
Austrian Ships in Spanish Waters 291
Intelligence Service 293
American Business Profited by Our War Fleet ... 297

XXXV. SHIPPING IMPORTANCE AT THE PEACE CONFERENCE 301
European Views on Our Maritime Ascendency 303
The Peace Conference Convenes 305
The Supreme Economic Council is Formed 309
Germany Surrenders Her Merchant Fleet 311

XXXVI. OUR WISE COUNSELLOR—WOODROW WILSON 315

ILLUSTRATIONS

	FACING PAGE
The War Shipping Board	*Frontispiece*
Red Cross War Council	16
Fabricated Ship	50
Great Lakes Steel Ship	50
Wood Ship	54
Charles Piez	70
War Cartoon, "The Bridge to France," by J. N. Darling	74
Mrs. Wilson Christening the *Quistconck*	86
Edward F. Carry	94
P. A. S. Franklin	104
The American Peril	128
Charles M. Schwab	140
Sir Joseph Maclay	146
"By-gone Days"	150
Pavelich, Champion Riveter, and His Crew	154
War Poster, "The Tidal Wave," by J. C. Coll	156
Division of Pictorial Publicity, Charles Dana Gibson, Chairman	160
"The Big Parade," War Poster, by James Montgomery Flagg	180
International Labor Board	194
Hurley, Burroughs, Edison, Ford, Firestone, DeLooch	226
War Poster by Mr. Gerrit A. Beneker	254
Admiral William Sheppard Benson	274
Large Type Pacific Coast Steel Ship	298
Henry M. Robinson	308
American Commissioners' Letter	314
The War Cabinet	320

THE BRIDGE TO FRANCE

CHAPTER I

LAUNCHING WOODROW WILSON

The year 1910 marked the beginning of a new era in the political history of the United States. The Roosevelt régime had lived its day and although William Howard Taft was enjoying nation-wide popularity, he had been in office less than a year when it became plainly discernible that politically his administration was doomed to failure. Hence, the Democrats, who had suffered defeat successively for sixteen years, began to revive hopes of national success at the polls.

Although I had not actively identified myself with my party and never had entertained the thought of holding official position under the government, my business connections brought me into association with men actively engaged in politics. Among such men was my attorney, Mr. John Maynard Harlan, an able lawyer with long training in politics.

Harlan was a Princeton man, and because he knew well the high qualities of character, the sterling integrity and the intellectual ability of Woodrow Wilson, president of Princeton University, he was one of Doctor Wilson's staunch supporters in the latter's series of struggles with the university trustees. Although in politics Harlan was a Republican, he was of the independent type and felt himself at liberty to espouse a man or a cause outside of the party to which he usually gave allegiance. Men and the causes or principles for which they stood were more to Harlan than party affiliations. It was this fact which made Harlan an advocate of Woodrow Wilson.

From time to time Doctor Wilson's name had been mentioned in the public press in connection with the governorship of New Jersey, which was at issue in the campaign that year, and even in connection with the Presidency itself. Nevertheless, there had been no serious consideration of Doctor Wilson by the Democratic party of New Jersey with regard to the governorship, nor by the people of the country with regard to the Presidency. Suggestions of the availability of the president of Princeton University for high political office in New Jersey and in the nation were advanced almost exclusively by persons in no wise in positions to do more than make suggestions. What was needed to bring such recommendations into accomplishment was an active organized force. Without such an organization, he might have continued for an indefinite period as the head of Princeton University.

While Harlan was not interested in the success of the Democratic party, he was able to perceive that the time was approaching when there would be a political upheaval in the country and that the Republican party would likely go down to defeat at the next election. Hence, if the Democratic party were to be returned to power in the government, it were better, in the opinion of a man of Harlan's political judgment, that it should be led by a man of Woodrow Wilson's type. Although Harlan, being a Republican, did not command the necessary machinery to be placed at the disposal of Woodrow Wilson, he did have a knowledge of the way in which that necessary machinery might be acquired and applied.

As a member of the Princeton Club of Chicago, Harlan was instrumental in having Doctor Wilson deliver an address before the Club, late in the spring of 1910. While Doctor Wilson was in Chicago it was my good fortune to meet him at Harlan's office. A few days later Harlan recounted to me that Woodrow Wilson was a very earnest Democrat; that he had been

mentioned as a possible candidate for the gubernatorial nomination of the Democratic party of New Jersey and that in event of Wilson's nomination and election to that office, his nomination for the Presidency would be by no means a remote possibility.

Harlan was aware that I had enjoyed a long acquaintance with the late Roger C. Sullivan, afterwards the Illinois member of the Democratic national committee. He knew that Sullivan was an influential factor in affairs and management of the Democratic party and in its national councils, and that he was a friend of Senator James Smith, Jr., of New Jersey, who at that time was in Chicago because of the illness of his daughter. Accordingly, Harlan asked me if I would discuss with Sullivan Doctor Wilson's prospective candidacy for the governorship of New Jersey and through Sullivan ascertain the feelings of Senator Smith toward Doctor Wilson as a candidate in the forthcoming campaign. This I agreed to do, but at that time I did not visualize the far-reaching results which followed my mere presentation of Harlan's request to Roger C. Sullivan. Nevertheless, this action prompted by John Maynard Harlan set in motion machinery which brought into the political arena the man destined to become a great world leader in the most titanic struggle in the history of civilization.

When I discussed with Sullivan the conversation I had with Harlan, I found him very sympathetic. He was frank and open-minded on the matter and suggested that we have luncheon with Senator Smith. At the luncheon Sullivan and Senator Smith promptly entered upon a discussion of politics. During the course of the conversation Sullivan asked Senator Smith what he thought of Woodrow Wilson, president of Princeton University. Without hesitation, Smith replied: "I think very well of him. While he has had no practical experience in politics, he is a wonderfully able man,

and under certain conditions I would be glad to see him nominated for the governorship of New Jersey."

Although he believed Doctor Wilson to be a sterling Democrat and well grounded in the principles of the party, Senator Smith knew that Wilson had not been active with the party organization in its campaigns. It had been his experience, he said, that party organizations desired something of record to show that candidates placed in nomination would be what is termed "regular"; and that if he had anything to exhibit to leaders of his organization to assure their followers that Woodrow Wilson would not be unfriendly to them, he thought they would be willing to approve of his selection of Wilson as the Democratic nominee for Governor of New Jersey. In the course of our talk, Senator Smith took occasion to express a firm conviction that with the party organization lined up in his support, if Doctor Wilson should be nominated his election would be assured, and that thus he would become a national figure for the Presidency. It is evident, therefore, that Senator Smith, even at that early date was sufficiently alert to the political trend of the times toward progressive policies to realize the great potential possibility in Wilson's candidacy.

I was well satisfied with the outcome of our talk. It gave me assurance that Senator Smith would be willing to take up the prospective candidacy of Doctor Wilson, if he received reasonable assurance of a favorable political attitude on the part of Doctor Wilson toward the organization of which Smith was the head and whose active support was absolutely necessary to insure Wilson's nomination. I promptly communicated the results of our conversation to Harlan, who regarded them as highly important and indicative of success. He lost no time in getting to his office and inditing a personal letter to Wilson. That letter records the inception of the practical movement that brought about the

nomination of Doctor Wilson for the governorship of New Jersey and started him on the high road to national and international prominence as a world statesman. Copy of the letter, which heretofore never has been given to the public, is as follows:

JOHN MAYNARD HARLAN
MARQUETTE BUILDING
CHICAGO

June 11, 1910

Personal

Woodrow Wilson, Esq.,
Princeton, N. J.

Dear Mr. Wilson:-

Within the last two or three days Mr. Smith, who, I believe, dominates the Democratic organization in New Jersey, was in Chicago, and my friend, Mr. Edward N. Hurley, knowing my regard for and admiration of you, utilized the opportunity of talking with Mr. Smith, whom he knows pleasantly, about the political situation in New Jersey and the possibilities in that connection with reference to yourself. Mr. Smith welcomed Mr. Hurley's suggestion that possibly he might arrange, through me, to have you and Mr. Smith lunch with him some day in the near future when he may be in New York. Mr. Smith said that he would be glad of an opportunity to talk with you and learn what would be your attitude toward the Democratic organization in New Jersey in the event you were nominated Democratic candidate for Governor and elected, Mr. Smith expressing the opinion that you would win "in a walk" if you were nominated. Mr. Smith did not say what Mr. Hurley, however, did vouchsafe, confirming the impression which I already had, that Mr. Smith was in a position to bring about your nomination without difficulty. Mr. Hurley said very positively that Mr. Smith had not the slightest desire that you commit yourself in any way as to principles, measures or men, but that he would wish only to be satisfied that you, if you were elected Governor, would not set about fighting and breaking down the existing Democratic organization and replacing it with one of your own. In other words, Mr. Smith's thought seems to be the quite natural one that an organization in control of the machinery of nomination of the Democratic party in New Jersey could hardly be expected to proceed with enthusiasm to the nomination and election of a Governor who, after being so nominated and elected, would feel it his duty or make it his business to turn upon and wreck that organization. I suppose that Mr. Smith's solicitude on that score is simply a manifestation in the political field of the natural law of self-preservation - the self, however, to be preserved not being his own personality (that presumably being beyond the need of anyone's help or the fear of anyone's attack), but rather the organization of which he is the master or dominating factor.

You might write me a line indicating whether you care to have me proceed further with the matter, taking care of course, to not put you in a position of initiative in the matter.

Sincerely yours,

Jno. Maynard Harlan

Doctor Wilson was greatly interested in the report which Harlan made to him regarding the feeling of Senator Smith toward him. His letter of reply to Harlan also is evidence of the fact that Doctor Wilson appreciated Senator Smith's request for an assurance that his attitude would be friendly toward the existing Democratic organization in New Jersey. He realized, as any one entering upon a career of politics should realize, that success at the polls comes as a result of organized effort, and that the medium of such effort must be the machinery maintained by political parties.

In the interim between his receipt of Harlan's letter and the time when he found opportunity to reply, it is not improbable that Doctor Wilson gave careful consideration to the subject, as he did to every proposal which touched upon an important question. He replied to Harlan's letter on June 23rd apologizing for not having replied sooner and explaining that the commencement season had started on June 10th and had taken up all his time. He said he had read Harlan's letter with great interest, and explained that he was perfectly willing to assure Mr. Smith that if elected governor he would not start fighting or breaking down the existing Democratic organization and replacing it with one of his own. In fact he said the last thing he would think of doing would be the building up of a machine of his own; and that so long as the existing Democratic organization was willing to work with heartiness for such policies as would reëstablish the reputation of the state and the credit of the party in serving it, he would deem himself inexcusable for antagonizing it if he was left absolutely free *in the matter of measures or men.*

Doctor Wilson concluded his letter by saying he felt that the developments in Princeton made it certain that his duty lay there in the immediate future, and not in

the political field; but that he was as eager as ever to do anything consistent with his other obligations to help forward the rehabilitation of the great party in which he believed.

Very well pleased with the tone of Doctor Wilson's letter, which he felt would suffice to meet Senator Smith's requirement, and having communicated the contents of the letter to me, Harlan stated that if I desired to do so I might show Doctor Wilson's letter to Senator Smith and give him a copy.

Although the State Convention in New Jersey was not scheduled to take place until the middle of the following September, Harlan and I realized that no time should be lost in pursuing the matter. He felt that with Senator Smith in a mood to commit himself in Wilson's favor, the situation as it had developed was highly advantageous to the prospective candidacy of Doctor Wilson. We knew that if Senator Smith should determine to push Wilson's candidacy to a successful conclusion it would be necessary for him to make his decision and lay out his plans without further delay.

By the time Doctor Wilson's letter reached Harlan, Senator Smith had returned to New Jersey. Therefore, I went to New York and got into communication with him, showing him the original of Doctor Wilson's letter and giving him a copy for his use. No one realized more than Senator Smith that in order to carry out his purpose in nominating Doctor Wilson he would be obliged to exert pressure upon the various local party leaders in New Jersey. Evidently he was well pleased with the prospect of having so strong a candidate at the head of the Democratic ticket in the approaching campaign. After reading the letter, Smith finally said that it was entirely satisfactory; that he had no doubt Wilson's candidacy would be acceptable to the Demo-

cratic organization and that he was confident of the nomination and subsequent election.

It has been said that the reason Senator Smith so readily and willingly accepted the candidacy of Doctor Wilson was that because of his knowledge of political conditions in New Jersey he was confident of Wilson's election by so large a majority as to carry the Democrats into control of the Legislature which would give them power to name a United States Senator. It also has been said that Senator Smith was anxious to be returned to the Senate wherein he had served during President Cleveland's second administration, but that he wished to keep his candidacy secret because he knew that the Democrats would be unable to elect a majority of the Legislature if his own candidacy was an issue in the campaign. If Senator Smith had any such thought in mind during the several conferences I had with him, he said nothing to me about it. His statements led me to believe that his aim was only the rehabilitation of the party in New Jersey by the nomination of a man of high character and outstanding ability who unquestionably would be successful at the polls.

Senator Smith delighted in playing the game of politics, not for the purpose of obtaining office for himself but because it is an absorbing diversion which calls for the display of an unusual sort of ability and a keen understanding of human impulses. Whatever may have been the Senator's object in accepting and espousing the candidacy of Doctor Wilson, there can be no question but that he entered into the fight to nominate him with a spirit of determination and in spite of the obstacles in his own organization, some of whose members harbored personal ambitions for the governorship.

With a copy of Doctor Wilson's letter in his possession, Senator Smith left me, firmly resolved to make Woodrow Wilson Governor of New Jersey. At that

time, however, Doctor Wilson had not finally expressed his willingness to run. Hence, Senator Smith's next step was to get from Doctor Wilson a definite statement regarding his candidacy. On the second day following, a conference was held by several Democratic leaders. Among them was Colonel Henry Waterson who previously had looked with favor upon Wilson's candidacy for the Presidency, but who realized that the governorship of New Jersey would have to be a stepping stone to nomination. Doctor Wilson was present at this conference. There was free and full discussion of the situation as it seemed to be lining up in his behalf.

The question of his becoming a candidate for Governor of New Jersey was put squarely up to Doctor Wilson. Explaining that he desired to get the counsel and advice of three of his most intimate friends, he asked that he be given a few days in which to make his decision. Mr. Cyrus H. McCormick, Sr., Mr. Thomas D. Jones and Mr. William B. McIlvaine, all of Chicago (and trustees of Princeton University) had stood loyally by him in all matters pertaining to the administration of Princeton. They had been his steadfast supporters; and since to become a candidate for governor would necessitate his severing connections with the University, Doctor Wilson felt himself under an obligation to consult them. While those present at the conference readily assented to this delay, how keenly Senator Smith felt in regard to the matter and how anxious he had become to enlist Doctor Wilson in the fight for the governorship, is evident from the letter he sent to me immediately following the conference. The letter to which I refer is as follows:

FEDERAL TRUST COMPANY,
NEWARK, N.J.

JAMES SMITH, JR.
PRESIDENT

June 28th, 1910.

My dear Friend:-

I understand our mutual friend is going to see Messrs. Cyrus H. McCormick, Thomas D. Jones and William B. McIlvaine of your City, as to the advisability of his candidacy. Wouldn't it be well to have Mr. Harlan see them before our friend meets them?

With kind personal regards, believe me

Sincerely yours,

James Smith Jr.

Mr. Edward N. Hurley,
Clinton & Monroe Streets,
Chicago, Illinois.

This communication, addressed to me at Chicago, was forwarded to me at Toronto. Its importance and the need of prompt action impressed themselves upon me. I called Harlan over the long distance telephone, to advise him of Senator Smith's suggestion. On my return to Chicago I stopped off at New York for a further conference with Senator Smith. He emphasized again the importance of getting Doctor Wilson's Chicago advisers to consent to his candidacy. When I arrived in Chicago I found that Harlan already had gone to New York to consult with Doctor Wilson and advise him personally as to Senator Smith's anxiety.

Accordingly, I wrote Harlan at the Hotel Belmont in New York City as follows:

EDWARD N. HURLEY
CLINTON AND MONROE STS.
CHICAGO

July 2, 1910

Mr. John M. Harlan,
Hotel Belmont,
New York City.

My dear John:

In accordance with my promise to you on the long-distance telephone at Toronto, and confirming our conversation, wish to say that Senator Smith called on me at the Waldorf yesterday at 2:30, just before I left for Chicago, and stated that he and Mr. Henry Watterson had a very pleasant visit with Dr. Woodrow Wilson, and the question of the Presidency came up and was discussed in detail.

The question of Dr. Wilson running for Governor of New Jersey was also mentioned, as, of course, a preliminary step to the Presidency, and Senator Smith stated that Dr. Wilson was inclined to get an expression from Mr. Cyrus McCormick, Thomas D. Jones and William B. McIlvaine (whom I believe are Trustees in Princeton University, and have always been very loyal to Dr. Wilson in any questions that have come up regarding the policy of the University.)

Senator Smith expressed himself very favorably in regard to Dr. Wilson taking this stand; and the Senator hoped that the gentlemen mentioned above would feel that Dr. Wilson was taking a step in running for Governor of New Jersey that would lead to his nomination for the Presidency in 1912. I sent you a wire from New York yesterday, of which I enclose a copy.

I am quite satisfied that the Senator is anxious for an early reply. I believe there is no question but what Dr. Wilson will be elected for Governor by the largest majority ever given a Governor in the State of New Jersey; but you, having had practical experience in this line, know that there is no time like the present in taking action, and the Senator of course, has a number of other candidates, and while he prefers Dr. Wilson and will nominate him, I am sure; at the same time it is a hard matter to keep from declaring himself unless there is some immediate action taken.

If I were you, I would call Dr. Wilson on the long-distance telephone and explain the situation and ascertain some facts and let me know promptly by wire.

Send a night letter, so that I may advise Senator Smith.

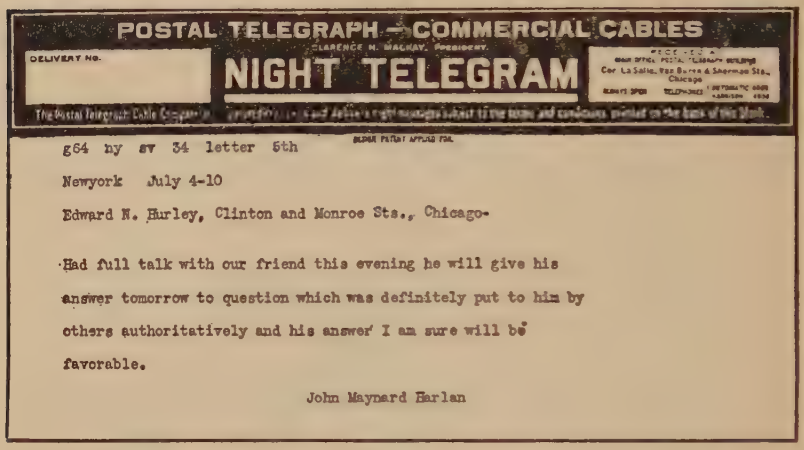
Of course, I hope that Messrs. McCormick, Jones and McIlvaine will see things as you and I see them, and will not try to stop the Doctor from taking this very important nomination at this particular time.

With kind personal regards, I am,

Yours very truly,

Edward N. Hurley

On the morning of July 5th I received the following telegram from Harlan, in which the words "our friend" refers to Doctor Wilson and "other" to Senator Smith:



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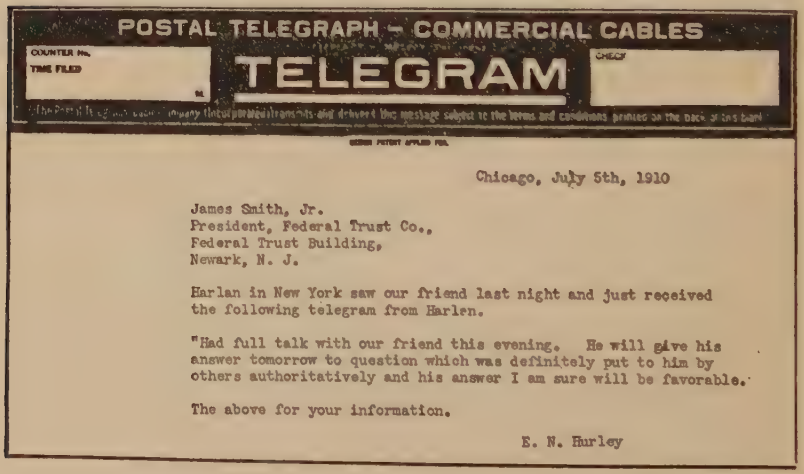
Newyork July 4-10

Edward N. Hurley, Clinton and Monroe Sts., Chicago.

Had full talk with our friend this evening he will give his answer tomorrow to question which was definitely put to him by others authoritatively and his answer I am sure will be favorable.

John Maynard Harlan

It will be noted from the tone of his telegram that Harlan felt confident Doctor Wilson's response would be favorable and that he had reached a decision pursuant to the advice of Messrs. McCormick, Jones and McIlvaine to enter the race for the governorship. Upon receipt of this telegram from Harlan I wired Senator Smith, as follows:



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TELEGRAM

Chicago, July 5th, 1910

James Smith, Jr.
President, Federal Trust Co.,
Federal Trust Building,
Newark, N. J.

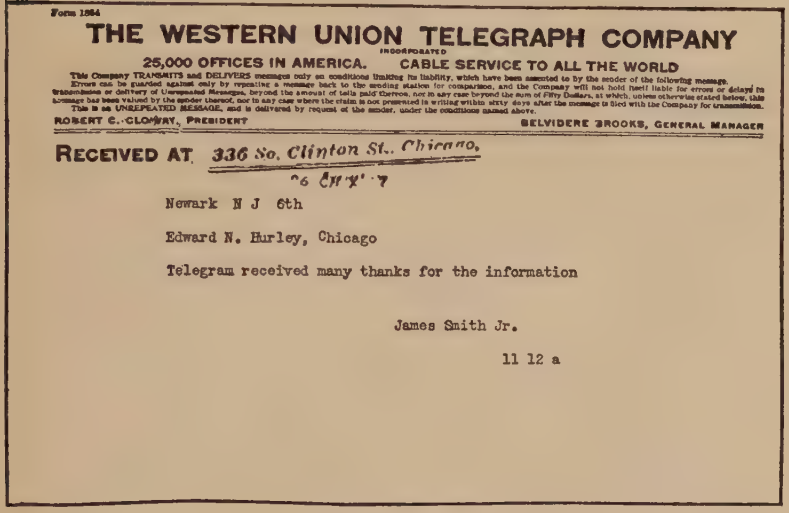
Harlan in New York saw our friend last night and just received the following telegram from Harlan.

"Had full talk with our friend this evening. He will give his answer tomorrow to question which was definitely put to him by others authoritatively and his answer I am sure will be favorable."

The above for your information.

E. N. Hurley

In acknowledgment of this message, the following morning I received this telegram from Senator Smith:



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ROBERT C. CLOWRY, PRESIDENT — ELVIDERE BROOKS, GENERAL MANAGER

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Newark N J 6th

Edward N. Hurley, Chicago

Telegram received many thanks for the information

James Smith Jr.

11 12 a

Events which followed those I have related here are well known. Woodrow Wilson was virtually forced upon the somewhat reluctant Democratic organization in New Jersey. Had it not been for the early step taken by John Maynard Harlan to assure Senator Smith that Doctor Wilson would be favorable to the organization, Wilson would not have been nominated for the governorship. If Senator Smith had not been satisfied that Wilson would be a suitable and formidable candidate with a high prospect of success at the polls, that astute leader would not have made him the party's candidate.

It was Harlan, with his keen analytical mind, who saw that the only way to gratify the desire of Woodrow Wilson's friends to have him elected to the Presidency was by bringing to his support the one man in whose power it lay to make him Governor of New Jersey first. Harlan knew from experience how to approach a political leader: that he was a master of political strategy

is shown by his letter to Doctor Wilson. In that letter Harlan displayed rare tact in formulating the basis upon which Doctor Wilson and Senator Smith could reach an agreement. The language he selected to convey to Doctor Wilson the thought he had in mind was calculated to get a reaction which unquestionably would be satisfactory to Senator Smith. The response was quite what he had planned it should be, for Doctor Wilson used practically the identical words employed by Harlan. Harlan stated in his letter that I had said very positively that Senator Smith had not the slightest desire to have Doctor Wilson commit himself "in any way as to principles, *measures or men.*" This phrase evidently struck a responsive chord in Doctor Wilson's mind, for in his reply he stated, "I should deem myself inexcusable for antagonizing it (the Democratic organization) so long as I was absolutely free in the matters of *measures or men.*" The words "*measures or men*" originally used by Harlan and adopted by Doctor Wilson, satisfied Senator Smith that he would be warranted in pressing the Wilson candidacy, and when he read Doctor Wilson's letter he emphasized and directed my attention to those words. Here is the keynote to the whole understanding.

It will be recalled that in the Presidential primaries of 1912 the Democrats of Illinois declared their preference for Champ Clark. At the Baltimore convention when it became apparent that Clark could not be nominated, Roger C. Sullivan was the first leader to swing an important state delegation from Clark to Governor Wilson. Thus the break of the Illinois delegation under Sullivan's leadership led to Woodrow Wilson's triumph in the convention. Roger C. Sullivan, therefore, was helpful not only in bringing about the nomination of Doctor Wilson for Governor of New Jersey, but also in accomplishing his nomination for the Presidency.

In what I have said about Senator Smith I am not heaping encomiums upon him for his advocacy of the Wilson candidacy. I am merely stating the facts as the records show. Whatever may have been Senator Smith's purpose, the fact is that he is the man who gave Woodrow Wilson his opportunity. For this reason I have regretted that the men and the organization which had the political foresight to appreciate the progressive vision of Woodrow Wilson could not share in carrying out his ideals, so important in the recent history of the world.

CHAPTER II

APPOINTED CHAIRMAN

In the preceding pages I have recorded many facts never before narrated, concerning incidents which brought Woodrow Wilson into political public life. I have done this because they are an important part of political history in which this great man was the central figure, and because they likewise constitute my own introduction into public affairs in a more limited way.

It was my good fortune to have been placed in a position in Washington, and later at the Peace Conference in Paris, wherein I was able to perform some service to my country. In the acquisition, construction and operation of ships essential to the conduct of the war, I was privileged to contribute my part to the success of American arms. It is therefore with that phase of Woodrow Wilson's administration that I intend to deal in this volume.

It was not until January, 1914, nearly a year after President Wilson had entered the White House, that I was invited by him to go to South America and make a report on banking and credits in Argentina, Brazil, Chile and Peru. I was happy to accept the President's invitation, and I promptly arranged my business affairs. The trip lasted about three months. Upon returning home my report was published by Secretary Redfield of the Department of Commerce.

This service constituted my first connection with the administration of President Wilson.

When the President considered naming the members of the newly created Federal Trade Commission, he invited me to serve upon it. The work contemplated for the Commission, under the statute creating it, was along lines familiar to me for many years. I was

RED CROSS WAR COUNCIL

PRESIDENT WILSON, EX-PRESIDENT WILLIAM HOWARD TAFT, HENRY P. DAVISON, ROBERT W. DEFOREST, COL. GRAYSON, M. P. MURPHY, CHARLES D. NORTON AND EDWARD N. HURLEY.

heartily in sympathy with its purpose and therefore was glad to accept an appointment on the Commission. I served first as Vice-chairman, and later as Chairman, until I resigned in February, 1917.

Shortly after war was declared, I received a telegram from Mr. Charles D. Norton of the American Red Cross, saying that Mr. Henry P. Davison, Ex-president William Howard Taft, Mr. Robert N. DeForest, and Col. Grayson M. P. Murphy had called at the White House, in response to an invitation from the President to organize the Red Cross War Council; that, among other matters, they had suggested to the President was that he appoint me one of the five members of the Red Cross War Council with which suggestion the President had expressed his willingness and desire to comply. This appointment carried me back to Washington.

I served on the War Council during the One Hundred Million Dollar Drive and have felt myself amply repaid by my association with Mr. Henry P. Davison. He had wonderful organizing ability. His skill in inducing others to accomplish things was a great revelation to me. He was warm-hearted, a lovable character and a leader who commanded respect and admiration.

After he had organized the different branches of the Red Cross in America as well as abroad, the work became somewhat routine. Hence when Secretary Redfield asked me to represent the Department of Commerce on the newly organized War Trade Board, I felt at liberty to leave the Red Cross.

I had been serving on the War Trade Board only a short time when the Denman-Goethals controversy developed in the Shipping Board. Through the medium of the press, the public was being regaled daily with accounts of their troubles which were seriously interfering with the work of providing ships. The public believed, and rightfully, that ships constituted one of the most important contributions that America could

provide toward winning the war. The fact that the Shipping Board was not making progress towards providing them, because of internal differences in the organization of that body, had a very depressing effect.

In July, 1917, when this controversy was at its height, the President's Secretary, Mr. Joseph P. Tumulty, informed me that the President wanted me to accept the Chairmanship of the United States Shipping Board and the Presidency of the Emergency Fleet Corporation. I protested that it was impossible, that I was very happy on the War Trade Board, and that I believed I could render efficient service there. Moreover, I pointed out to him that I was not a shipbuilder and that the position did not appeal to me. Tumulty evidently was not surprised at my attitude. "Well," he said, "I told the President you would not be interested but he replied. 'You tell Hurley this is personal.'" Of course, I considered this a command.

CHAPTER III

PROVIDING A WAR FLEET

For more than fifty years it has been definitely recognized by Congress that without enabling national legislation our former maritime position cannot be regained. But because of the many conflicting views on the character which that legislation should assume, Congress never was able to agree on a general shipping bill until the World War drove home relentlessly our utter dependence on foreign vessels.

For the protection of what American shipping there was, Congress had enacted laws which, while intended to assist our ships and shippers, actually strengthened the hold of European maritime countries on our ocean traffic. Attempts to ameliorate the more drastic provisions of these laws without departure from the general policy of making it easier for American ships to take their rightful place in international trade often were frustrated. Thus, when in March, 1914, Secretary of Commerce Redfield [1] suggested the repeal of that clause of the Panama Canal Act of 1912 which made it impossible for foreign-built vessels which were not at least five years old to secure admission to American registry, Congress characteristically failed to take immediate action. The declaration of war, followed by the withdrawal of about 6,000,000 gross [2] tons of ships by Germany and Austria, 1,000,000 gross tons by France and Russia, and by the diversion of much of

[1] Annual Report, Department of Commerce, 1914.

[2] Since the terms "gross" and "deadweight" as applied to tonnage will recur in this book, it may be well to define them. Gross tonnage is ascertained by arbitrarily dividing by 100 the whole interior cubic capacity of a ship, including the deck houses. Deadweight tonnage is the actual weight of a ship and its cargo at full-load draft. Deadweight tonnage is therefore usually greater than gross tonnage, by approximately 50 per cent. American tonnage is rated in deadweight, and British in gross tons.

Great Britain's huge tonnage to the transportation of troops, supplies and munitions, spurred Congress. We could not do without ships. Little more than 10 per cent. of our water-borne foreign commerce (measured in dollars) was carried in American bottoms. After six months' delay, Congress passed the Shipping Act of 1914 on August 18th of that year, thereby carrying out Secretary Redfield's recommendation. In addition to permitting the registration of the ships excluded from American ownership by the Panama Canal Act of 1912, the President was given the power, for a period of two years, to deal with the nationality of watch officers of the foreign vessels admitted to American registry; and also with such matters as inspection and survey. The Treasury Department came to the aid of American shippers with decisions that admitted to free entry through the customs, materials for construction of vessels, their machinery and general equipment.[3]

The result of this salutary legislation and official action was the immediate increase of our merchant marine. Up to and including June 30, 1915, a period of ten months, 148 vessels of 523,361 gross tons were registered. While these measures apparently produced the desired effect, so far as foreign tonnage was concerned, the American Merchant Marine and the American shippers were no better off than they had been before. During the same period American shipbuilding actually decreased by an amount almost equal to the foreign tonnage acquired. Indeed, the output of ships on the seaboard for the fiscal year ending June 30, 1915, was a third less than for the previous fiscal year; and was less than for any twelve months in the preceding sixteen years.[4]

Such was the demand for bottoms, now that Europe was completely embroiled in war, that Congress passed

[3] Treasury Decisions, 1914, p. 34150. Also under Treasury Decisions, Customs, and Other Laws, Vol. 26, p. 183–194.

[4] Annual Report of Secretary of Commerce, 1915, p. 215.

an act (38 Stat. L. 812), approved February 24, 1915, admitting to American registry foreign vessels wrecked on our coasts or adjacent waters, and owned or repaired by Americans. As might have been foreseen, the effect was almost negligible. Only seven vessels, aggregating 11,630 gross tons, were thus admitted to American registry.

The next step in the effort to assist the American exporter and importer was the repeal of penalties on foreign-built vessels owned by Americans, a repeal effected by the Act of March 4, 1915. On the same date Congress passed an act enabling consular officers to issue provisional certificates of registry to vessels purchased abroad by American citizens.[5]

These laws removed some of the more serious handicaps with which American shipping had to contend. While they could not meet the greatest economic crisis to which the United States ever had been exposed, they did at least pave the way for the formidable constructive work that the war pressed.

THE SHIPPING BOARD IS CREATED

Despite the urgent need of ships, manifest even before the United States declared war, Congress did not heed it at once. An attempt to create a Shipping Board by a bill introduced on September 4, 1914, by Representative Alexander of Missouri was not acted upon, much to President Wilson's disappointment. Between December, 1914, and May, 1916, bill after bill was introduced. One of these (that introduced by Senator Stone in the 63rd Congress) was debated uninterruptedly for sixty-five hours before it died with adjournment on March 4, 1915. President Wilson, more than once, pleaded for the enactment of an adequate shipping act. During the first session of the 64th Congress, six merchant marine bills were introduced, of which one came to the floor for debate. This was

[5] 38 Stat., L. 1193–1194.

House Bill 15455, introduced May 8, 1916, by Representative Joshua W. Alexander. Again there was a keen contest. At the end of the session (September 7, 1916) this bill became law as the Shipping Act of 1916 (39 Stat. L. 728). After two years of wordy contest Congress had agreed on a shipping policy and expressed it in a law.

We were still at peace. Hence the Shipping Act of 1916, which created the Shipping Board, was not, strictly speaking, a piece of American war legislation. Moreover, the Act as it stood at the time of its passage would not have enabled us to meet the exigencies of the war into which we were destined to be plunged.

The title of the Act indicated its purpose. It reads: "An Act to establish a United States Shipping Board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a Merchant Marine to meet the requirements of the commerce of the United States with its territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States for other purposes." The Board was to consist of five commissioners,[6] to be appointed by the President with the advice and consent of the Senate, and was granted broad powers to construct, equip or acquire vessels suitable for commerce and military and naval purposes. Most important of all, it was given the power to form one or more corporations for the purchase, construction, equipment, lease, charter, maintenance and operation of merchant vessels in the commerce of the United States under certain conditions. It could subscribe for the stock of these corporations, protect government interests, and sell stock to the public with the approval of the President. The Board had other powers which need not be dwelt upon here—

[6] Afterwards increased to seven by the Merchant Marine Act of 1920.

powers which gave complete control over American ships and shipping.

The Board made ready and quick use of its authority. Its first act (January 31, 1917) was to pass a resolution requesting the President to place an embargo on the transfer of vessels from the American flag, a request with which the President complied on February 5, 1917, and which was prompted by Germany's avowed declaration to pursue a policy of indiscriminate sinking. There can be no doubt that this prompt action of the Board checked the flow of tonnage from American into foreign hands. The next important step of the Board was the creation of the Emergency Fleet Corporation on April 16, 1917.

THE EMERGENCY FLEET CORPORATION IS CREATED

Although the demands that the war was destined to make upon the resources of the country hardly could have been foreseen in 1916, the Shipping Act of that year was wisely drawn, in so far as the necessity of building ships with the machinery of a private corporation was recognized. It is to the credit of Congress that it recognized the utter hopelessness of relying upon the cumbrous machinery of the government to build merchant ships for war or peace.

The creation of a corporation for the performance of an important constructive task had a precedent in the use of the Panama Railway Company during the construction of the Panama Canal by the War Department. The Secretary of War owned all the stock of that company and to the company were entrusted many of the functions of constructing the canal.

On April 6, 1917, the United States declared war. It was no time to wait for private enterprises to furnish the tonnage which the army would require to maintain an immense force overseas, or to try to get low bids on tonnage required for war purposes. A huge, coördinated program of government construction and

financing clearly was called for. Yet the government, because of checks and balances it encountered on every side, could not of itself make the necessary rapid progress. A private corporation was needed. The Shipping Act provided for it. Accordingly the United States Shipping Board Emergency Fleet Corporation—to give it its full official title—was formed under that provision of the Shipping Act of 1916 which empowered the United States' Shipping Board to found a stock corporation.

The Fleet Corporation was organized under the laws of the District of Columbia on April 16, 1917 (ten days after the declaration of war) with a capital stock of $50,000,000, all of which was subscribed for by the United States' Shipping Board on behalf of the United States. The corporation was destined to spend far more for a single shipyard. Indeed, it never could have accomplished its stupendous task without powers far broader than those which the Shipping Board could delegate it under the Act of 1916. Throughout the war Congress clothed the President of the United States with extraordinary, sweeping authority; and this power he conferred upon his agents—the Shipping Board or the Fleet Corporation—by Executive Orders. With the aid of Congress and the Executive Orders, the Fleet Corporation was able to avoid the system of legislative checks and balances which would have shackled it had they not been removed.

Thus the Emergency Shipping Fund Act of June 15, 1917, conferred upon the President far-reaching authority to requisition, construct and operate ships without limitations or conditions except those of a financial nature. These powers were extended directly to the President and not to the Shipping Board or the Fleet Corporation. By Executive Order dated July 11, 1917, the President delegated directly to the Fleet Corporation all power and authority vested in him

relating to the construction of vessels. To the Shipping Board he delegated all his power and authority to acquire vessels already constructed and to operate and dispose of all vessels acquired or to be acquired by the United States. During the years 1917 and 1918 most of the powers of the Shipping Board and the Fleet Corporation were exercised under these delegations of authority from the President and not under the original Act creating the Board. Hence the Emergency Fleet Corporation was the direct agent of the President.

The United States Shipping Board and the United States' Shipping Board Emergency Fleet Corporation, despite the similarity of their names, are distinct entities. Such was the method of control, that the vast responsibilities created by the war rested, in the final analysis, upon the Chairman and the Commissioners of the Shipping Board. The Fleet Corporation has been the creature of the Shipping Board and under the Board's full control. The Board was in essence regulative and the Fleet Corporation operative, a difference similar to that which existed between the Interstate Commerce Commission and the United States' Railroad Administration.

The Emergency Fleet, as organized, departed widely from the kind of stock corporation contemplated by the Shipping Act of 1916. It was provided in the Act that the majority of the stock of the corporation always should lie in the United States, the United States controlling the majority of the stock, while private capital might acquire the minority stock. In practice the government held all the stock with the exception of a few qualifying shares. This corporation in which the United States was a stockholder could not legally operate Shipping Board vessels, unless it should be impossible to induce private enterprise to purchase or charter them under conditions that the Board ap-

proved. We easily could have turned over all our ships to private companies at very profitable rates had the provisions of the Shipping Act been strictly obeyed. The war created exigencies which far transcended those of commerce. Government ownership and operation were imperative. As a result, responsibility for both functions was assumed by the Shipping Board and transferred to the Fleet Corporation. Hence the Shipping Board, illegally but necessarily, operated vessels through the Division of Operations of the Fleet Corporation. In practice, the main functions of the Shipping Board were carried on by the Fleet Corporation.

CHAPTER IV

THE SHIPPING BOARD AND THE EMERGENCY FLEET CORPORATION

Although the Shipping Act was approved on September 7, 1916, the members of the Shipping Board were not designated and appointed until December 22nd. The original members were William Denman, a distinguished admiralty lawyer of San Francisco, California (Chairman); Bernard N. Baker, of Maryland; John A. Donald, of New York; John B. White, of Missouri; Theodore Brent, of Louisiana. Baker soon resigned as a commissioner and the President nominated Raymond B. Stevens of New Hampshire in his place. The Board, thus constituted, functioned until July 24, 1917, at which time a clash of personalities and functions culminated in the resignation of Messrs. Denman and White and also of Major-General Goethals, General Manager of the Emergency Fleet Corporation.

THE DENMAN-GOETHALS CONTROVERSY

In accordance with its original by-laws, the Emergency Fleet Corporation had a Board of Trustees consisting of seven members, all of whom were required to be stockholders in the Corporation. The seven original trustees were Messrs. Goethals, Denman, Donald, Soleau, Bailey, Abbott and Bertholf. The by-laws of the Corporation provided that its officers should be a President, a Vice-president, a Treasurer, a Secretary, a General Manager and such other officers as the Trustees might determine. They further provided that the General Manager should have oversight and management of the Corporation's business affairs

and should have the power to employ and discharge clerks, employees and agents, fix their salaries and prescribe their respective duties. To the titular head of the Corporation, who happened also to be the Chairman of the Shipping Board, merely nominal powers were assigned. The General Manager was given full control and responsibility, but not the right to sign contracts, which was the most important and necessary function that he could exercise under the stress of war.

Out of this faulty scheme of organization and division of authority the unfortunate Denman-Goethals controversy quite naturally arose. It is popularly supposed that Mr. Denman (Chairman of the Board) wanted wood ships; that General Goethals (General Manager of the Fleet Corporation) was steadfastly opposed to them; and that, as a result, two able men found it impossible to agree. It is true that Denman believed in wood ships for this critical war emergency, and that General Goethals theoretically objected to them; but the records of the Shipping Board and of the Fleet Corporation show that General Goethals negotiated with contractors for wood vessels and approved many contracts for building them, and that Denman advocated the construction of as many steel ships as possible. So far as wood or steel ships were concerned it is evident that the two men found no difficulty in sinking their differences of opinion. The mere fact that General Goethals, as general manager of the Emergency Fleet Corporation, could not sign contracts but was expected to build ships, made his position impossible. On the other hand the Chairman of the Shipping Board, who was the real head as President of the Fleet Corporation, could know nothing of the general manager's methods or acts, for there was no obligation on the general manager's part to acquaint him with necessary facts. Discord inevitably resulted, and the resignation of both Denman and

Goethals was the consequence. The controversy attracted world-wide attention. It produced an unsalutary effect at home and abroad, as the press and public became very critical and fearful that the building of ships was being seriously retarded by their differences.

General Goethals wrote a letter to the President regarding the organization of the Shipping Board, asking the President to define his authority more clearly, and said that unless some change was brought about he could not accomplish the work he had planned. The President took Goethal's letter as an indication that he would resign, and sent for Tumulty, saying "I am going to accept Goethal's resignation." The President liked Denman, and realized that Denman had been placed in an impossible position because he had no authority over Goethals, and that the two men could not work harmoniously together. Therefore, the President accepted the resignations of both Denman and Goethals. Tumulty suggested the appointment of a business man as Chairman of the Shipping Board and President of the Emergency Fleet Corporation. The result was that the President asked Tumulty to ascertain if I would accept the place.

THE BOARD RECONSTITUTED

On July 27, 1917, I became Chairman of the Shipping Board by virtue of presidential appointment and confirmation by the Senate. The President nominated Bainbridge Colby of New York to succeed Mr. White, which nomination subsequently was confirmed by the Senate. Raymond B. Stevens was elected by the Board to succeed Mr. White as Vice-chairman. Mr. Brent retired at about the same time and his place was filled by the appointment and confirmation of Charles R. Page of California, although it was several weeks before he was able to arrange his private affairs so as to take up his duties in Washington.

The reorganized Board was thus constituted: Edward N. Hurley, Chairman; Raymond B. Stevens, Vice-chairman; John A. Donald, Bainbridge Colby and Charles R. Page, Commissioners. All continued in office during the stress of the war period. I have deeply appreciated the cordial support which my associates on the Board unfailingly gave me. They fully realized the responsibility of providing the ships without which the war could not have been won. In every activity of the Board they displayed great willingness to coöperate and cut red tape. Each performed yeoman service.

The President had decided also that Rear Admiral Washington L. Capps, an officer with a brilliant record as a naval constructor, would be a distinct acquisition, and hence had named him to fill the place of general manager left vacant by General Goethals' resignation.

ASSUMING MY DUTIES ON THE SHIPPING BOARD

After I assumed my duties on the Shipping Board I asked Mr. John E. Barber, who acted as my secretary on the War Trade Board, to join me as my chief assistant. In endeavoring to get our bearings we found that each group of the Denman-Goethals factions was disposed to discuss the inefficiency of the other. Barber informed them that I always blamed the complainant for about 98 per cent. of the trouble whenever there was discord; and advised them to have something concrete and definite to recommend for the improvement of the service, rather than to try to interest me in a personal quarrel. He told them I maintained that while we were at war the only people we were really fighting were the Germans; and that any who were looking for trouble and wanted to fight we would refer to General Enoch H. Crowder, in charge of the draft, who would arrange to satisfy their belligerent desires

in France. This advice had a most soothing effect on the entire organization, and resulted in the creation of a cordiality that could not have been accomplished if I had listened to the grievances of the factions. Both Denman and Goethals had appointed some very efficient men and many of them were with us during the entire war.

WE COMMANDEER THE SHIPYARDS AND THEIR HULLS

Seven days after I assumed office, I appreciated the fact that the United States must act quickly if it were to become a factor in winning the war; and that ships in course of construction in American yards must be taken over by the Shipping Board. It fell to my lot to issue the necessary order to that effect.

On August 3, 1917, I issued the first requisition order. It was signed and sent out by Admiral Capps, then General Manager of the Fleet Corporation, and was the outcome of a Presidential Executive Order which in turn embodied provisions of the Urgent Deficiencies Act of June 13, 1917. This order of the Fleet Corporation was the first step taken to assume control of our shipping and to prevent American shipyards from working for any country but our own. Our general purpose was to secure control of the yards so as to be able to assist them in financing and in delivering materials; to prevent the use of the yards, sorely needed for our own purpose, by foreigners, some of whom were our allies but most of whom were neutrals; to permit the simplification of the ships so that they might be more speedily completed and more thoroughly adapted to our own war uses; and generally to permit the Fleet Corporation to place additional direct contracts with the same yards without interfering with any of their other work.

The order produced consternation in the shipyards.

It was as if 431 bombshells, the number of ships involved, had exploded. There were endless hearings. Practically every shipyard and ship owner appeared and put up a desperate fight. There was, however, but one obvious answer:—the necessities of our Army.

In accordance with the terms of the order, the Fleet Corporation commandeered all steel ships over 2500 deadweight tons under construction in American yards. No fewer than 431 uncompleted ships totalling 3,068,431 deadweight tons were covered by this important order of August 3, 1917. The compensation of the owners, many of whom were foreign, was given the most careful attention, and the completion of the unfinished ships (though the types were not always such as would have been chosen for the emergency) became an important function of the Fleet Corporation. By the close of 1918 nearly 90 per cent. of the construction work on this tonnage had been carried on under the Corporation's direction.

The 431 " Hulls " commandeered were largely so many contracts, so many orders for materials. Therefore, we requisitioned not ships in course of construction but a huge shipbuilding job. We already had a construction division in the Fleet Corporation which was charged with the building of ships of any type. Admiral Bowles joined the Fleet Corporation at about this time, and to him Admiral Capps assigned the duty of creating such a division. Bowles was ably assisted by Commander John L. Ackerson, later Vice-president of the Fleet Corporation, Mr. W. L. Ferguson, Mr. Daniel H. Cox, afterwards appointed manager of the Division, Mr. Laurens N. Prior, well known as a naval architect, Mr. George Crouse Cook, and Mr. Pierce J. McAuliffe.

Not only did protests come from domestic shipping owners, but we were deluged with protests from for-

eign owners who had placed contracts for the building of ships in American yards. The issue thus raised presented an international aspect. Foreign builders through their respective governments took up the question with the State Department. On August 23, 1917, I received a letter from Secretary of State Lansing with a letter from the Rt. Hon. Arthur J. Balfour which was forwarded by cable [1] by Ambassador Walter H. Page, in London, to the State Department.

Mr. Balfour stated that he would feel very much gratified if the United States Government thought it would be consistent with the claims of its own national interests to allow the ships then building for Great Britain in America to remain in British ownership, but that if the United States Government surveying all circumstances of the case, thought the British ships that had been ordered built in American shipyards should belong to the States, then the British would not think of making any protest nor were they of the opinion that if the ships on completion were used in the war work of the allies the question of ownership would have any material bearing on the conduct of the war. He further stated that they would not press the point but would rely on our justice and good-will.

In my letter [2] to Secretary Lansing under date of August 29, 1917, in reply to Mr. Balfour's communication I said that with me the question of ownership was not nearly so important as winning the war with ships. It was not a matter of ultimately augmenting the British mercantile marine with the aid of American capital and labor, but of triumphing over the German submarines. Military necessity only, and not ownership, could decide what flag the requisitioned ships under construction were to fly. When the *War Sword,*

[1] See Appendix A.
[2] See Appendix B.

which had been built by the Union Iron Works for the Cunard Company, was loaded and ready to sail, I had to reach some decision. I took up the whole question with President Wilson. After the fullest discussion, the conclusion was reached that the *War Sword* ought to be permitted to leave promptly, in view of the fact that the Cunard Company had paid for her in full before our requisitioning order went into effect. Apart from our own vital need of shipping in winning the war, I felt that we were called upon to bear a burden which was heavier than the British Government probably realized. Because of the uncertainty as to the amount of tonnage which would be required to maintain our troops in France it was necessary to exercise the greatest caution in committing ourselves on the question of ownership. It was our first duty to maintain our line of communication; and that extended over the Atlantic Ocean. We would be held responsible for the fighting efficiency of our men on European soil. We had not only to feed these men, but also to aid in feeding the nations associated with us. The responsibility for this vital war service rested primarily with the Shipping Board. We could not shirk it nor share it. Had it been possible to calculate the amount of tonnage which would be sunk by German submarines we might have permitted ourselves greater freedom of action; but as we could only guess what the submarine would do, we could not adopt a policy which would reduce our control of shipping. If we had acted hurriedly and turned over foreign tonnage to its owners we might have been placed in the position of having failed to use good judgment. The very labor used in constructing the foreign ships might justly have complained that its work had not saved American soldiers in the trenches from a disaster directly traceable to a lack of supplies. I came to the conclusion

that there was only one safe course to pursue: We must control all ships built in the United States, and to control them they must fly the American flag.

Secretary Lansing replied:

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D.C.

DEPARTMENT OF STATE
WASHINGTON

September 11, 1917.

My dear Mr. Hurley:

I have received your letter of August 29, 1917, relative to the British ships now in our yards and have carefully noted your statements.

I now have to inform you that your letter was telegraphed in full to the American Ambassador at London on September 7, prefaced by a statement that the views contained therein were the views of this Government.

Very sincerely yours,

Robert Lansing

Edward N. Hurley Esquire
Chairman, United States
Shipping Board,
Washington, D.C.

I laid this correspondence before President Wilson, so that he might be fully informed of the conclusions that had been reached. He sent me an expression of his approval, saying that he thought the necessities and policy of the case could not have been better stated.

In arriving at a decision which thus became part and parcel of the State Department's policy, I had

many consultations with British shipping representatives. Taken as a whole I found them patriotic, broad-minded men who fully appreciated the vital importance of shipping from the point of view of the United States and who were willing to forego private advantages as soon as our military situation was explained to them. There was Sir Thomas Royden, for instance, now Chairman of the Board of Directors of the Cunard Steamship Company, Ltd., who represented Great Britain in the negotiations affecting the *War Sword* and other ships built in our yards under contracts with British subjects. He was a fine type of business man, very keen in looking after the interests of his country and in urging the adoption of a policy which would have committed us to turning over to the British, after the war, those ships which they had ordered or acquired in this country. He wanted to aid us in meeting our military exigencies and yet do justice to Great Britain; but he yielded as gracefully as did Mr. Balfour when I indicated that we could not make any such agreement at that time and that we must have absolute control over all ships which we had requisitioned.

It must be conceded that, from their standpoint at least, the British understood their business exceedingly well. The thoroughness with which they went into all matters to obtain information upon which to base their conclusions always was interesting and sometimes was amusing. I had an illustration of this in connection with an incident involving Sir Cecil Spring-Rice, the British Ambassador. It came to my knowledge that when my appointment as Chairman of the Shipping Board was announced there was some little anxiety on the part of the British as to just what my attitude toward them would be. I learned that it was a practice on the part of the British,—and one which may be followed to a greater or lesser extent by other countries,—to investigate as far as possible appointments made by the President which are likely to have an interna-

tional importance. They are concerned in knowing the appointee's attitude affecting their particular interests. This information their ambassadors and diplomatic representatives endeavor to obtain from their nationals living in this country.

After my appointment to the Shipping Board, Sir Cecil received a letter from a prominent Englishman in New York, a copy of which an interested friend was kind enough to put in my possession. The letter gave a quite full history of my activities in private and public life, in some respects going into rather minute and surprising details. One of these details was the mention of the fact that my parents both were born in Ireland, one of them in County Limerick. The writer raised the point that because all of my ancestors were Irish there might be some question as to my attitude toward the British in the handling of shipping matters. He stated, however, that he knew of no acts of mine that were inimical to the British, and that he believed I would be fair, particularly as I had been in the manufacturing business in England for a number of years and knew and understood the British people.

Sir Cecil was a diplomat of the old school and always aimed to make friends. Armed with the information which he had received concerning me, he was anxious to take advantage of anything we might have in common upon the occasion of our first meeting. His memory evidently was a little bit faulty concerning the place of my nativity, for when I was introduced to him he said most cordially: "Well, Mr. Hurley, I am very happy indeed to have the pleasure of meeting you, particularly as we come from the same part of Ireland. I am a Limerick man and so are you." As I was born in this country and my parents were married here, it was the first time that I had been called a Limerick man. Knowing the source of the Ambassador's information, however, I very much enjoyed his greeting and did not correct him. At a subsequent dinner which the

Ambassador and I attended, Sir Cecil presented Mrs. Hurley and me to Lady Spring-Rice. In doing so he said, "You know, Mr. Hurley is from the same county in Ireland that I am from. We are both Limerick men." My wife later chided me for having told Sir Cecil that I was from Limerick in order to court his favor. I learned afterward that while Sir Cecil was not born in County Limerick, his father (the youngest son of Lord Monteagle whose family estate was near Foynes, County Limerick) had come from that section of Ireland, as had my mother. I presumed he was using that fact, after the manner of clever diplomacy, to gain my good-will in dealing with the Shipping Board. He was a delightful character and we became warm friends.

The requisition order which I issued on August 3, 1917, must be regarded primarily as a step to prevent the soaring of prices of tonnage and to insure the proper mobilization of all our economic resources. We made it as easy as possible for those affected by the order. The ships requisitioned were operated largely by their own companies, which were credited with the rate allowed by the Shipping Board. Control was maintained over all these vessels as to cargoes, rates and safety in the war zone. War needs were given priority, and the Allies were protected against oppressive transportation rates. Aside from the requisitioning power, the Board was without jurisdiction over rates in foreign trade or over interstate ocean carriage rates, unless the vessels were common carriers and running on regular routes. In fixing rates for requisitioned vessels left in the commercial service or assigned to foreign governments, the Board was careful to see that reductions inured to the benfit of the shipper, and were not used as instruments of favoritism.

CHAPTER V

WE SEIZE THE INTERNED GERMAN SHIPS

During the early period of our board activities we acquired tonnage not by actual construction but by seizing interned enemy vessels; by requisitioning ships on the ways, no matter for whom they were being built; by commandeering American ships in service; by securing enemy tonnage from foreign countries; by chartering or commandeering foreign vessels in our ports; by purchasing ships under construction in foreign yards; and by letting contracts in foreign countries for building ships.

The first important acquisition was that of German and Austrian ships within jurisdiction of the United States. These vessels had been interned in American ports immediately following the outbreak of the war in 1914. The United States having been neutral, many German and Austrian ships upon the high seas had sought our protection in order to escape capture by the British Navy. The Custom House officials seized them under the power conferred upon the President by the Joint Resolution of May 12, 1917. Later (by Executive Order of June 30, 1917) the President authorized their transfer to the Shipping Board. The interned enemy vessels acquired numbered ninety-seven of nearly 700,000 gross tons. They included many fine hulls of the passenger-cargo type. Some of these were turned over to the Navy for repair and operation, but the greater number passed under the control of the Shipping Board. It will be noticed from the dates given that the seizure and transfer occurred while Denman still was chairman of the Shipping Board and president of the Emergency Fleet Corporation.

Senator Lodge criticized Denman rather unjustly

for delaying the repairing and re-fitting of these ships. Denman replied adequately, but not too good-naturedly, to Senator Lodge in a letter dated August 21, 1917.[1] The Fleet Corporation under General Goethals repaired twenty-nine German and Austrian ships aggregating 180,000 tons and operated them by the time I assumed the chairmanship of the Shipping Board. Some of these plied between this country and Italy, Russia and France; others were turned over for operation to private corporations. Contracts also were let for repairing sixteen fast German passenger liners even before cost estimates were approved by the Treasury Department. The ships were turned over to the Navy while they were being overhauled. There can be no question of the diligence of both Denman and Goethals.

To repair the remaining enemy tonnage and to equip and man them for war-zone service became one of the first duties of the Fleet Corporation in my administration. Up to the time the armistice was signed the sum of $11,000,000 had been spent or set aside for the reconditioning of the vessels. These enemy ships were scattered in many ports—New York, Boston, San Francisco, Seattle, Puget Sound, southern harbors, Honolulu, Samoa and Manila. This complicated the problem of repairing them. These vessels had been seriously damaged by their own officers and crews in order to prevent their immediate use by the United States. The boilers had been ruined by firing them without water; and as a rule, the Germans had knocked off castings at the sides of the high pressure valve chests, and broken holes in the cylinders themselves. Evidently the Germans reasoned that entirely new cylinders would have to be cast, which would have been a very difficult and time-consuming undertaking. But we fooled the Germans by electrically welding the valve chests

[1] See Hearing before the Committee on Commerce, U. S. Sen., 65th Congress, 2d Session on Sen. Res. 170. P. 1085.

and cylinders, thus adapting to ship-repairing a practice well established in railroad shops.

Some of the seized ships were delivered to the associated governments. Others were turned over to the Army or Navy. The rest were retained by the Shipping Board. The *Leviathan,* formerly the *Vaterland,* one of the German interned vessels, and at that time the largest ship in the world, transported approximately one hundred thousand American troops to France. By the treaty of peace the German vessels seized by this country became a permanent part of the American Merchant Marine.

HOW WE ACQUIRED ENEMY SHIPS INTERNED IN NEUTRAL PORTS

The hazards of the high seas were such that some German and Austrian ships took refuge in the ports of neutral countries, where they were promptly interned. This meant that they enjoyed full protection from interference by British or other Allied Fleets so long as the country in whose ports they sought safety remained out of war. Because of our dire need of ships I wanted to acquire all such vessels as had been interned in the ports of the United States. I turned over the job to Mr. Clifford Mallory.

Negotiations for enemy tonnage in foreign countries were initiated on November 1, 1917. We succeeded in December, 1917, in chartering two Austrian ships seized by China and two German vessels seized by Siam. Several Austrian vessels were purchased. Some of these afterwards were sold to France.[2] The number of Austrian vessels acquired by purchase soon increased to nine, totalling 58,000 deadweight tons. Similar negotiations were undertaken with Brazil for ex-German tonnage there interned, while a few Austrian ships in other South American ports were purchased.

[2] Second Annual Report. U. S. Shipping Board, p. 45.

CHAPTER VI

SEIZING AMERICAN SHIPS IN SERVICE

We had gone far in commandeering shipyards and the craft which they were building. But in order that control over shipping might be absolutely complete we also had to seize, or practically seize, American vessels actually in service.

The Fleet Corporation's requisitioning order of August 3rd applied only to ships in course of construction. More were wanted—ships in actual service. Accordingly, I issued through the Fleet Corporation on October 12, 1917, an order which gave us, three days later, the use of all American steel cargo vessels of 2500 deadweight tons and over, and all American passenger vessels of 2500 deadweight tons and over, suitable for ocean service.

We realized that transportation was the life-blood artery of the Army, the Navy and of essential industries. The United States needed raw materials required for producing military supplies. Farmers demanded nitrates from Chile, and so did manufacturers of explosives. Steel plants wanted manganese ore from Brazil and chrome from Australia. The World had to be scoured for essential raw materials, which had to be carried in ships under our control. Every industry was crying for coal, which of necessity had to be carried by water so far as that was possible because of railway congestion. Charter and freight rates were rising rapidly. In the spring of 1914 time-charters for cargo steamers were obtained for about one dollar a deadweight ton per month. By the summer of 1917 they had risen to $13.88 in trades outside the war zone and to about $20 within the war zone, the charterer assuming all risks. For tankers, the time-charter rates

rose from $1.70 and $2.40 in 1914 to $12.50 in 1917. Even more startling was the increase in freight rates because they included war risk, while in the case of charter rates the risk was taken by the charterer. Ocean freight rates on cotton from Savannah to Liverpool rose from 35 cents per 100 pounds in 1914 to $6.00 in 1917; from Savannah to Genoa from 55 cents to $10; and the rates from Gulf ports to European ports increased in proportion. Special war bonuses had to be paid officers and crews because of the increased hazard. In fact every item in the cost of transportation was multiplied, some by tons. The market value of ships rose from $60 to $80 per ton, the pre-war price, to $300 and over by the autumn of 1917. While there was some justification for these enormous increases in charter rates, ship costs and freight rates, it was evident that they had been artificially inflated. There was nothing to do but to own or control every ship that flew the American flag and to fix the scale of requisition rates ourselves at some fair level below that prevailing in the market, a level that represented legitimate values.

The owners of requisitioned ships (both those commandeered in the shipyards and those flying the American flag in actual service) became operators for the Fleet Corporation. The expense of operation had to be properly apportioned between the Corporation and the owner as in normal times. We had to assume the risk of loss, except under the " bare-boat " type of contract.[1] We also had to provide for taking over a ship entirely and operating her ourselves without the owner's aid and for returning her after she had served our purpose. These were but a few of the problems that had to be considered.

The extent to which we had to go in controlling shipping, so as to permit the flow of necessary raw material to our industries, is seen in the modification

[1] When such a contract is made, the owner absolves himself of all responsibility after the ship passes into the hands of the charterer.

of the typical American coastwise shipping policy. The United States had jealously protected coastwise trade, permitting only American ships to engage in it. But when we needed every available ship for trans-Atlantic service it became impossible to permit the old tradition to dominate us. At my instigation the President had Congress pass the Act of October 6, 1917, which authorized the Shipping Board to suspend the old laws and to grant permits to foreign vessels to engage in our coastwise trade during the war and for a period of 120 days thereafter. Thus Canadians were permitted to engage in Great Lakes traffic, and two Japanese companies to engage in the trade between San Francisco and Honolulu. Up to September 30, 1918, we granted permits to 342 different vessels in this way, 58 of which operated in the Great Lakes and 284 in the Atlantic and Pacific coastwise trade.

IMPRESSING LAKE STEAMERS INTO OCEAN SERVICE

Confronted with a desperate shortage of tonnage, we found a valuable source of shipping on the Great Lakes where several important shipyards were located and where practically nine-tenths of the larger American merchant ships for use on the Great Lakes had been built. We commandeered an extensive tonnage of Lake vessels, re-fitted them for ocean service and brought them down to the sea-board.

Twelve of these ships were too large to pass through the Welland Canal and the novel method of bisecting them while afloat was employed. The hulls were cut squarely amidships, the parts were sealed by watertight bulkheads, and the sections were taken through the canal. In some cases the rear half of the ship was sent under its own steam, stern first, while the forward half was towed. Some of the largest boats had to be turned on the side and towed on pontoons specially constructed. The rejoining was done for the most part in dry dock. Sixty-four requisitioned or purchased ves-

sels had been brought down from the Lakes by the time the armistice was signed. The credit for cutting some of the ships in two, and rejoining and re-fitting them, must go to the Board of Survey in general and to Commissioner Donald for his able supervision.

All the seizing of enemy tonnage, chartering neutral tonnage, requisitioning of ships under the right of angary, repairing of ships, and reconstructing Great Lakes steamers, could not solve our war-time shipping problem. Building new ships from the keel up necessarily became our chief concern and to this we applied ourselves as soon as we learned from the War Department what was expected of us.

CHAPTER VII

THE EMERGENCY FLEET CORPORATION BEGINS ITS WORK

CERTAINLY some one, fifty years hence, will be better able to write a history of the tremendous effort required to create the American Emergency Fleet and with far more confidence, authority and plausibility than is possible at the present time even for those of us who know the facts at first hand. The best that I can do here is to show how we built up the greatest single industrial organization that the world ever has seen and in the shortest space of time, and how we adapted ourselves to the shifting fortunes of war.

Our ship-building experience was scant; our shipyards were entirely inadequate. Our resources, however, were almost incalculable and incomparable. The first step was to expand the Fleet Corporation by which the ships that were to win the war would have to be built. When the United States declared war against Germany the whole purpose and policy of the Shipping Board and the Fleet Corporation suffered a radical change overnight. From a body established to restore the American Merchant Marine to its old glory, the Shipping Board was transformed into a military agency to bridge the ocean with ships and to maintain the line of communication between America and Europe. Conceived as an instrumentality of peace, the Board became an instrumentality of war. Unlike other military agencies—the Army and Navy—it began with nothing—no ships, no officers, no crews, no organizations.

When the Fleet Corporation was formed, ten days after the declaration of war, it began business in three small rented rooms with a force of six employees. In six months we had developed an organization of

more than one thousand employees, had established sixteen offices in various parts of the country, had assumed supervision of the building of 1118 vessels of divers types in 116 yards, and had begun disbursing money at the rate of over one billion dollars annually. In a year we occupied in the city of Washington alone twenty-one buildings, ranging from a remodeled livery stable to the best equipped office building in the city and including such other structures as stores, clubhouses and residences. During the war, the organization of the Fleet Corporation was twice as large as the United States Steel Corporation, and its operating expenses were equal to the combined expenses of the Pennsylvania and Santa Fe railroads.

Originally it was supposed that the main function of the Fleet Corporation would be that of developing designs and placing contracts for ships. But all the yards were either busy in completing for the Fleet Corporation the 431 hulls which we had commandeered, or were clogged with orders for the Navy. The shipyard owners found that they could not control the supply of either material or labor. Hence the Fleet Corporation had to step in and manage the yards. Entirely new yards had to be built, at an expense so huge that it could not be defrayed by private companies. In the end the Fleet Corporation had to build the yards with government money and to act as their banker.

The total program of construction originally was as follows:

Class of Ships	Number	Deadweight Tons
Requisitioned Steel	431	3,056,008
Contract Steel	1,741	11,914,670
Contract Wood	1,017	3,052,200
Contract Composite	50	175,000
Contract Concrete	43	302,000
	3,282	18,499,878

WHAT TYPES OF SHIPS SHOULD WE BUILD?

In undertaking to build an Emergency Fleet it was essential to decide upon the types of ships which we would require. We wanted not only ships that could carry supplies overseas economically, but ships of a kind that could be built with unprecedented rapidity. The first step of the Fleet Corporation was to survey the 431 hulls which had been requisitioned and to adapt them to our needs by changing the original designs, wherever that was possible. In making these changes and in deciding upon the types of ships that ought to be built from our own designs we had the benefit of advice from such skillful practical ship operators as Mr. P. A. S. Franklin, Mr. Clifford Mallory, Mr. H. H. Raymond and Mr. J. H. Rosseter.

When it came to the building of entirely new ships in entirely new yards we boldly struck out on new lines. These new types readily fell into five classifications:—(1) fabricated steel ships, (2) wood ships, (3) composite ships or ships built partly of wood and partly of steel, (4) concrete ships, (5) standard ships of prewar type.

The Germans were sinking vessels so fast that it became apparent we must adopt extraordinary methods. Theodore Ferris had justly earned for himself an enviable reputation as a naval architect, and to him must be given much of the credit for laying down the plans for the type of fabricated steel ship as well as for the type of wood ship that we adopted.

When Ferris joined the Fleet Corporation as naval architect it was distinctly understood that he was to be permitted to continue his private practice. A Congressional committee pounced upon this understanding and by adroit questioning tried to make it appear to be unethical. There was absolutely nothing in his conduct that was not honorable. Ferris was so hurt by the suspicion of malpractice engendered that he resigned in

1918, with the result that the Fleet Corporation lost one of its ablest technical advisers. He was continued, as a consultant. Mr. Daniel H. Cox, another distinguished designer, was directly in charge of the Department of Naval Architecture and Marine Engineering of the Fleet Corporation, and later of the Ship Construction Division. These two men, Ferris and Cox, either designed or passed upon the plans and specifications of about one thousand vessels of all types. Ferris' work was so original that it became quite natural during the war to speak of "Ferris ships" whether they were of wood or fabricated steel. Besides Ferris and Cox, we had Professor Herbert C. Sadler who filled the chair of naval architecture at the University of Michigan.

THE FABRICATED STEEL SHIP—HOW CONCEIVED AND HOW BUILT

Theodore Ferris would be the last man to claim credit for the idea of fabricating ships, although the Fleet Corporation owed much to him for carrying it into execution. By fabrication I mean something very different from building. For generations it had been the practice to build ships,from the keel up,in the yard. Every piece of wood or steel that went into the construction was shaped in the yard, and the shapes were extraordinarily complex. Instead of building ships we wanted to manufacture them, as automobiles, watches and locomotives are manufactured, according to one pattern. This would make it possible to roll, bend and punch shapes and frames in steel mills far inland, then to transport them to the coast, and there to rivet them together into finished hulls. Many structural steel and bridge shops were idle because their supply of steel had been cut off, and structural steel construction had greatly decreased. If ships could be built of fabricated steel these idle plants could be utilized in fashioning

parts which could be sent to yards for erection into completed hulls.

The fabrication principle had been successfully carried out in building bridges and office buildings, but when it came to applying it in ship construction we encountered the difficulty presented by queerly curved ship members. Had it not been for the interest displayed by Mr. James A. Farrell and the officials of the American Bridge Company, we would have found it harder than we did to fabricate and assemble ships.

It seems likely that the first real step toward fabrication was taken by Mr. C. P. M. Jack and Mr. Max Willemstyn, engineering managers of the Chester Shipbuilding Company and of the Merchant Shipbuilding Company. During the winter of 1912 there was a sudden demand for oil tankers, while freight charters were low and cargo-ships plentiful. Almost anything that could be converted into an oil tanker was thereupon pressed into service. Jack conceived the idea of building and testing ashore vertical steel tanks which then were installed in ordinary cargo carriers. Two steamers were thus converted in 1912 and two more in 1914.[2] For the first time an essential part of a ship was built on shore by men who were not shipworkers. Here was the germ of the fabricated ship. It is certain that Mr. Henry R. Sutphen, Vice-president of the Submarine Boat Corporation, called to the attention of General Goethals the enormous saving in time, money and material that could be effected if cargo carriers were constructed of parts finished in bridge and tank shops and assembled in the shipyards; and certain, too, that the engineers of the Hog Island yard pointed to Jack and to Willemstyn as pioneers in this enterprise.

After several months of research and discussion the American Bridge Company decided to fabricate materials for two ships, but it would undertake to pro-

[2] Robinson: Transactions of the Society of Naval Architects and Marine Engineers. Vol. 25, 1917.

FABRICATED SHIP

S. S. Pruse, CLASS "A" TYPE, 7800 DEAD-WEIGHT TON STEEL CARGO-SHIP, BUILT AT HOG ISLAND. THIS IS A FABRICATED SHIP, PARTS OF WHICH WERE MADE IN DIFFERENT SECTIONS OF THE COUNTRY AND ASSEMBLED AT HOG ISLAND. THIS SHIP IS IN SERVICE IN THE MEDITERRANEAN TRADES, HAVING STEAMED OVER 200,000 MILES.

OF THE 75 VESSELS OF THE HOG ISLAND TYPE BUILT, 72 ARE NOW IN SERVICE.

GREAT LAKES STEEL SHIP

S. S. Lake Gormania, 4200 DEAD-WEIGHT TON STEEL SHIP, BUILT BY THE DETROIT SHIPBUILDING COMPANY.

448 GREAT LAKES STEEL SHIPS WERE BUILT FOR WAR PURPOSES, AVERAGING FROM 3200 TO 4200 DEAD-WEIGHT TONS. 194 HAVE BEEN SOLD FOR OPERATION, CONVERSION, ETC.; 149 WERE SOLD TO HENRY FORD FOR SCRAPPING; 19 WERE LOST, AND THE 86 NOW REMAINING ARE IN LAY-UP. THESE WERE THE LARGEST STEEL SHIPS THAT COULD BE BUILT ON THE GREAT LAKES FOR OVERSEAS SERVICE OWING TO THE FACT THAT THE WELLAND CANAL LOCKS COULD NOT ACCOMMODATE ANY LARGER VESSEL. SHIPS OF THIS SIZE ARE TOO SMALL FOR OVERSEAS SERVICE AND WERE BUILT ONLY FOR THE WAR EMERGENCY.

duce only the absolutely parallel portions of the midship body. About 60 per cent. of the total weight of our first two fabricated steel ships were thus manufactured. This was increased to 70 per cent. on the ships that followed. Finally bridge shops took contracts for 85 per cent. of the hull steel and even fabricated some of the difficult curved portions of the ship. A 100 per cent. fabrication job was possible but not practical because of the lack of bridge equipment. For example, there never were enough furnaces to bend frames and to bevel the angles.

Ferris produced the design of the fabricated ship which the Fleet Corporation built. Here was a design with practically rectangular midship cross-section, a deck that was flat, a bottom that was flat, a ship with sides so straight that there was scarcely any sheer, and a stern that was square. Straight lines and flat surfaces were called for wherever it was practicable to apply them. Old ship-builders, accustomed to the odd traditional shapes of which vessels were built, simply gasped. I have no doubt that Mr. Ferris' personal reputation as a great naval architect had much to do with the acceptance of the fabricated design. At all events, without his aid, yards in which fabricated ships were built hardly could have taken shapes rolled and punched in steel mills hundreds of miles away and assembled them into vessels which have not been surpassed in sea-worthiness and general utility. By saving a single rivet in the plate of a single ship similar rivets for similar plates were saved in dozens of identical ships assembled in the same yard. A plate so shaped that it was necessary to trim an angle meant a corresponding saving of labor in scores of similar plates. Thus, literally thousands of operations became unnecessary. The saving in labor and material was incalculable. That system could be applied only in yards devoted to the assembling of dozens of ships exactly alike in every respect. The principle of assembling

a mechanism from interchangeable parts, a principle which had given us cheap good watches, locomotives and automobiles, was applied with brilliant success to the construction of ships.

Taken as a whole these fabricated ships were a brilliant success—a vindication of a new principle in ship construction and a monument to the ingenuity and skill of American engineers. The principle of assembling standardized parts not only simplified construction but repairs as well. When the *Liberty Glo* struck a mine, December 5, 1919, she probably would have been abandoned as so much junk had she been an ordinary ship; for she had parted, and the forward section was lost. The after section was salvaged and berthed in Rotterdam. All the necessary material was sent abroad from this country to repair her, and she afterwards reëntered the service.

WOOD SHIPS WERE NECESSARY

As I have pointed out in a previous chapter, the Shipping Board had committed itself to the building of wood ships under its first chairman and general manager. I therefore inherited the wood ship program from them. This I mention not to excuse the building of wood ships (I was in complete accord as to the wisdom of building them in view of the dire need of ships) but simply as a matter of record.

Denman has sought to emphasize the statement that the wood vessels were to constitute an auxiliary fleet of emergency character and has declared that the Board publicly announced in March and April, 1917, that its major plan was for a steel fleet, with wood ships merely supplementing it. He has said that the Board called the attention of the public to the purely war-purpose of wood ships and of the inability to compete with steel vessels in ordinary commerce. Further he has asserted that General Goethals was the first nationally known character to endorse the wood ship

project; that his endorsement was the principal reason that moved the Board (and then the President) to accept it, and later led to General Goethals' appointment by the President as general manager of the Fleet Corporation.

At that time, the ship-building program definitely included only wood ships. The preliminary work of organization to build them had been done by Commissioner Brent and Mr. Eustis, whose agents selected the sites for new yards. Clothed with broad powers these agents, chiefly Mr. E. Eades Johnson and Captain A. F. Pillsbury, explored the Gulf and Pacific Coasts. So pressing was the need for ships that men who had little or no ship-building experience were encouraged to proceed with the laying out of new yards on the promise of contracts to be made out later.

The wood ship program originated in the thought that abundant lumber was available, while there was a question as to whether steel production would equal demands. While the Pacific coast yards made fair headway with wood ship construction, those on the Atlantic and Gulf coasts made only indifferent progress, for many reasons. To Mr. James O. Heyworth must be given a full measure of credit for having accomplished much in the face of baffling difficulties. He had had more than twenty years of experience in building wood barges, for which reason he was made manager of the Wood Ship Construction Department of the Fleet Corporation.

I doubt that any one who ever was connected with the Shipping Board or the Fleet Corporation believed that wood ships would successfully compete with steel vessels, but the situation was desperate. Even England built wood ships to offset losses caused by mines and submarines.

In this connection I recall the argument which Lloyd George made in the support of the policy of building

wood ships. He told me of an incident which had occurred when the announcement was made that Great Britain proposed the construction of a number of wood vessels. "A delegation of steel ship-builders waited upon me," he said, "to protest against the proposed action of our Government or our Colonies in building wood ships. They sought to impress upon me the fact that such vessels would be utterly useless after the war and said that it would be a waste of money to build them. They urged me to cancel the contracts which had been made. I told them that I had great respect for their judgment as shipping men and appreciated their interest. I agreed with them that their statements were undoubtedly correct with respect to the lack of utility of wood ships after the war, but I said, 'Do you gentlemen think that these wood ships will be able to make one successful round trip?' They replied, 'Why, yes, without any question.' I then said, 'Gentlemen, we must build them. One trip of a number of wood ships might result in our winning the war; in order to win, we must have every kind and make of vessel possible to offset the losses of shipping caused by the German submarine.' "

He further said that no one could tell at that time how long the war would continue and that if it had lasted for another year he was certain that every one of the wood ships would have been sorely needed. Indirectly Lloyd George was as much responsible as any one in the United States for the wood ship program which we followed. He knew the situation on the battle front as well as the British and French generals. To his leadership and vigorous methods of prosecuting the war, particularly after he became Prime Minister, the whole world is deeply indebted. His statements as to conditions of the war, presented with such courage and force, inspired us to carry on. It was not a question of permanency of construction, but of keeping our

WOOD SHIP

S. S. Aberdeen, 4000 DEAD-WEIGHT TON WOOD SHIP BUILT BY GRAYS HARBOR MOTORSHIP CORP., ABERDEEN, WASH. LAUNCHED IN 17 DAYS.

703 WOOD SHIPS WERE CONTRACTED FOR; 214 OF THESE CONTRACTS WERE CANCELLED WHEN THE ARMISTICE WAS SIGNED; 323 OF THE BALANCE WERE COMPLETED; 41 SOLD; 23 LOST, AND IN 1922 THE WOOD SHIPS BUILT FOR WAR PURPOSES WERE CONSIDERED OBSOLETE—256 OF THEM BEING SOLD FOR SCRAPPING.

265 CARRIED CARGOES OVERSEAS.

lines of sea communication open. I am convinced that we were amply justified in building the wood ships, although no one wished to assume the responsibility for them because of the criticism and ridicule which they had received.

After General Goethals had left the Shipping Board, he was made Director of Purchases, Storage and Traffic of the War Department, in which service his knowledge and ability were brought into very effective use. On Wednesdays we had Army War Council meetings at the War Department where the general situation was discussed, particularly with respect to the shipping of supplies to France. General Goethals was always clamoring for more ships; and sometimes it was not possible to provide them just at the moment his equipment was ready to go abroad. In one of these discussions about ship deliveries, when Goethals was particularly insistent, I jokingly said to him that if he did not moderate his attitude I would name one of the small wood ships that he and Denman had contracted for, "The General Goethals." This had the effect of quieting the General for the time at least.

Although the wood ships never could compete with fast steel cargo carriers in the trans-Atlantic trade, they made more than enough voyages to convince us that our policy in building them was not mistaken. They should have been regarded as a legitimate war expense, junked off and charged off, just as the Army sold millions of dollars of war supplies at any price and junked and charged off hundreds of miles of military railway track laid in France for the supply of our troops.

COMPOSITE SHIPS

The "composite" ship was a wood vessel in which a certain amount of structural steel was incorporated to stiffen the hull. As a rule composite ships were

designed by the builders, but the Fleet Corporation's naval architects made changes and rewrote the specifications. Like the wood ships, these vessels were conceived and planned solely as a war measure. Composite craft proved to be costly and difficult to build. It was not until August 28, 1918, that the first one was delivered. Because we became convinced that such vessels could not materially aid us in bringing the war to a speedy close, we did not embark on an extensive construction program so far as they were concerned.

CONCRETE SHIPS

No one in the Shipping Board or the Fleet Corporation ever favored the concrete ship. Senator McCumber was responsible, more than any one else, for the experiments that we made with this type. He had seen concrete buildings constructed with startling rapidity, and naturally he concluded that hundreds of ships could be produced in a short time simply by pouring cement into moulds. The best technical opinion was opposed to the concrete ship. It could not carry as much as a steel ship of equivalent size, because of its greater weight. It required one-third as much steel as a steel ship. There was also the objection that it was too rigid to withstand engine vibration.

Undoubtedly the fact which greatly encouraged the advocates of concrete construction was the building of the *Faith*. This concrete vessel was built by private capital in San Francisco. Its completion was heralded as the last word in ship construction. Because of the experimental character of the ship, we granted the request of her owners that she be exempt from our commandeering order. In consequence of this action she was allowed to carry cargos to any port in the world. She made several trips and because of conditions which then prevailed her owners received enormous freight rates. Earnings thus made helped mate-

rially to compensate them for their investment in this rather venturesome undertaking.

We watched the operations of the *Faith* very carefully. Our experts learned that, in building her, the engineers had failed to construct the centres of the upper decks sufficiently strong to make her sea-worthy when she was not loaded. It appears that when loaded with a capacity cargo, she was quite safe; but that when operated without cargo, she was likely to break in two on account of weak construction of her upper decks.

The *Faith* now is lying off a southern coast, a derelict entirely without salvage value, an example of war experiments.

There was far less excuse for building ships of concrete than of wood. The wood ship had behind it a success extending through centuries. The concrete ship had no such record, although a few barges had been built in Europe before the war. We declined to undertake their construction out of the funds which had been appropriated by Congress for the steel and wood ship program. Accordingly a special supplemental appropriation of fifty million dollars ($50,000,000) was voted by Congress for the purpose of building concrete ships. We decided to proceed very cautiously. The Bureau of Standards was asked to make some experiments with concrete formulas, but it was not until December, 1917, that a section of Concrete Construction was organized with Mr. R. J. Wig and Mr. L. R. Ferguson in charge.

WAGGING TONGUES

One of the lessons we learned from the war was that the evils of wagging tongues are incalculable. The Germans proved themselves masters of the art of destructive gossip, more politely termed propaganda. Constant rumors that our ship-building program was not progressing satisfactorily had a very depressing effect upon the regiments we had sent to France, and

upon the men in the cantonments at home. They seriously undermined the morale of our whole organization, and also affected public sentiment.

I sensed that our statements concerning the amount of tonnage we would build were not being taken seriously by certain Senators and Representatives, or by some officials of the Government in the Cabinet and elsewhere. I was daily explaining to the "Doubting Thomases" in detail just what our plans were; but with little success. I realized that something must be done quickly to counteract the vicious rumors in circulation and the growing sentiment that we could not build a sufficient number of ships to be materially helpful in winning the war. Accordingly, I determined to take the best means available to ascertain the facts. I wired for the Manager of Lloyds, the greatest shipping agency in the world, whose information upon ships and shipping is the last word on these subjects and is accepted as authoritative by the shipping world. I asked him to make a careful and complete survey of our potential ship-building possibilities and to tell me what, in his opinion, we might reasonably expect in the way of ship production with the equipment and resources at our command. I felt that if his report proved satisfactory it would be encouraging to the American public; and that if, on the other hand, it were unsatisfactory the Shipping Board would of necessity have to take steps to improve the situation.

Lloyds began the work of making a survey in September, two months after my appointment. They sent their best shipping men to all of our old and new yards. These men spent nearly a month in making the closest possible scrutiny of each yard's equipment, studied its management and made a most painstaking estimate of what could be accomplished. The report submitted was most gratifying. It was therefore with

much pleasure that I advised the President of the conditions and what might be expected, which I did in a letter dated October 17, 1917, a copy of which is as follows:

UNITED STATES SHIPPING BOARD
Washington, D. C.

October 17, 1917.

Dear Mr. President:

I have some encouraging news regarding the building of ships which I know will prove interesting. I had Lloyds agency make a thorough investigation of the possibilities for the production of steel tonnage. And you will note by the attached statement they estimate that we will produce 3,712,000 deadweight tons of steel shipping during 1918. This is a conservative estimate. In addition to this we have 1,000,000 deadweight tons of wooden ships under contracts which are being built very rapidly. The entire program for six million tons is well under way. In 1916 there were about 520,000 deadweight tons of ships built in this country, and in 1917 there will be turned out about 900,000 tons. As the labor situation in our shipyards at the present time seems most favorable I am hopeful that our goal of six million deadweight tons of shipping for 1918 will be reached.

Very faithfully yours,
(signed) Edward N. Hurley.

The President,
The White House.

Lloyds' survey proved very stimulating. Within a week after showing the report, in confidence, to the leaders in our own organization, there was a new spirit to win. Public sentiment changed in our favor when we started to believe in ourselves and our ability to do the job.

Notwithstanding the reassuring character of Lloyds' report, under conditions then prevailing it no doubt was somewhat hazardous to promise so huge a fleet. But we had to have an objective. When we entered the war, there were in the United States only thirty-seven yards (with 142 ways) building steel ves-

sels, and twenty-four yards (with 73 ways) building wood vessels of over 3000 tons. About 75 per cent. of the steel-ship ways already had hulls for the Navy upon them. I am fearful that if I were not an optimist and had not had long experience and confidence in the American manufacturer and workman who really never know what they can do until they are put to the test, we might not have accomplished what we did.

The sums required for the expansion of existing facilities were so huge that few ship-builders could borrow them. Hence the Fleet Corporation advanced funds on contracts with permission to apply them in plant construction. We could not advance money for the construction of new ship-building plants and the expansion of old ones without exercising strict supervision over every technical plant detail. Hence a Shipyards Plants Division was organized and to it was assigned the duty of examining and passing upon all plans for plants, dry docks, marine railways, storage yards, fire protection, installation of tools, in fact every detail imaginable. It was also the Division's duty to inventory and mark property at each plant belonging to the Fleet Corporation. The Shipyards Plants Division was established in August, 1917, with Rear-Admiral H. H. Rousseau as its Manager and Commander Reuben E. Bakenhus as Assistant Manager. These two eminent naval officers had been loaned to us by the Navy Department. Actual expenditures and net commitments for shipyard construction, housing, transportation, etc., amounted to $269,482,975. When the armistice was signed we had 341 shipyards practically completed with a total of 1284 launching ways—more than double the number of ways owned by Great Britain and the rest of the world.

Mr. R. B. Mauchan, a Scotchman who received his training as a ship-builder on the *Clyde,* and who was

superintendent of the Kiangnan Dock and Engineering Works, Shanghai, China, turned up in Washington to interest the Shipping Board in the possibilities of having vessels built in his yard with Chinese labor. It was decided that his yard could build satisfactory ships at a satisfactory price if we furnished the steel. Later I signed the contract in the presence of Wellington Koo, the Chinese Ambassador, and the leading officials of the Fleet Corporation. The signing of this Chinese contract meant more than adding to our fleet. It did much to cement the friendly relations between this country and China; or at least I judge so because of the decorations conferred by the Chinese Republic upon Mr. Robert Dollar, who aided in the negotiations. No finer ships were built than the four laid down in the Chinese yard. Dollar paid the highest possible tribute to their fine construction by buying them later.

I was glad to talk to a man like Mauchan. If men had any ideas worth considering, we wanted them. Many came to the Shipping Board with apparently sincere arguments that this was their chance to show their mettle. Some had acquired extensive experience in operating ships. They were given a chance. Here was an opportunity for such men to demonstrate their love of country, or, if nothing else, their enlightened selfishness. How they rose to their opportunity, how they served their country in its blackest hour, is familiar to the public. My experience with would-be ship-builders gave me ample opportunity to note how common is an ordinary human trait, which in its cumulative effect may become a serious problem of administration. It would be superficial to dismiss the human failing that I have in mind with merely the word "selfishness." Such a designation would be neither adequate nor just. The situation was such that nearly every man who ever had seen a ship concluded that he

could build one; that his services would be invaluable to the Shipping Board, and that if in building ships he made money, the profit was purely incidental. Since some one must make a profit, he felt that he might just as well be the one. Perhaps the reasoning was not wholly incorrect. Ships certainly were built by men who had not been professional ship-builders. The only points overlooked by most would-be ship-builders were either the value of personal experience in ship construction, or the necessity of engaging naval architects and engineers who had the experience.

CHAPTER VIII

CONCENTRATING THE RESPONSIBILITIES

Shortly after my appointment I discovered that if the Fleet Corporation were to function as efficiently as a private company, the obstacle of divided authority had to be swept away. The general manager of any large corporation is an appointive officer, to whom certain functions are assigned. He is not clothed with absolute power to do as he pleases—the condition that prevailed in the Fleet Corporation when I assumed office.

The original by-laws of the Fleet Corporation, as drawn by General Goethals and Mr. Denman, provided, with respect to the president of the corporation, merely that he should preside at all meetings of the stockholders and of the trustees; and that he should sign, together with the secretary, all contracts and papers in behalf of the corporation. In defining the duties of the general manager, the by-laws stipulated that:

"The general manager shall be *ex-officio* chairman of the Executive Committee. He shall have the general oversight of the business and affairs of the corporation, and shall have power to employ and discharge all clerks, employees and agents, determine their salaries and prescribe and define their duties."

These two provisions left the President of the Fleet Corporation with merely the duty of presiding at meetings and obligation of signing contracts. It gave him no power or jurisdiction over the business of the corporation, which was entirely in the hands of the general manager. Such an arrangement was obviously unworkable. It proved so, soon after the first attempt was made to conduct business under it.

In order to enable the Fleet Corporation to make

any progress, it was necessary to concentrate all authority in the hands of one man and make him wholly responsible. Accordingly, on November 15, 1917, the by-laws were amended by eliminating the paragraph with reference to the duties of the president and also the one prescribing the duties of the general manager, and adding the following paragraph:

> The president shall preside at all meetings of the stockholders and the trustees and he shall, together with the secretary, sign all contracts and other instruments on behalf of the corporation. He shall have the general oversight and management of the business and affairs of the corporation, and shall have the power to employ and discharge all clerks, employees and agents, determine their salaries, and prescribe and define their duties.

This action not only placed full authority and responsibility in the hands of the president, the same as in the case of any private industrial organization, but also gave him jurisdiction over all employees from the general manager down, and over the director-general when in the development of the organization it became necessary to appoint such an official. The authority which thus was placed in the hands of the president he was empowered to delegate to subordinate officials, as the necessities of the situation might dictate. Such authority I delegated to the general manager, and later to the director-general, without at any time relinquishing either responsibility or authority.

After this drastic change in organization was made by amending the by-laws, there was no possibility of dodging responsibility. The president of the Fleet Corporation, whoever he might be, had to assume it; the general manager, the vice-president, and the director-general reported directly to and received orders from the president of the Fleet Corporation.

Admiral Capps resigned on December 3, 1917, soon after the duties of the general manager were defined and he was placed directly under the orders of the

president of the Fleet Corporation. There was a hint in testimony given before a Senate Committee [1] that Admiral Capps did not approve of the change in administration which made the general manager of the Fleet Corporation directly responsible to the president of the Corporation; but I am convinced that ill-health was the reason for his retirement. His patriotism and his loyalty would have caused him to remain at his post, no matter what the conditions of his employment were, but he felt that a man in better physical condition should assume duties which often had kept him at his desk until long after midnight.

When Admiral Capps resigned, I requested Secretary Daniels to recommend a naval constructor to succeed him. Friends of Rear-Admiral Frederic R. Harris had urged his appointment and he was given the assignment. He accepted the post and immediately took charge of ship construction. I explained to him the change that had been made in the by-laws of the Fleet Corporation, which placed complete power in the hands of the president of the organization. I told him that he would be given full opportunity to carry out our ship-building program; but that inasmuch as I had been clothed with full authority, and had the responsibility, I insisted that he must keep me in close touch with the situation, and that I be advised on all important matters. In this he concurred.

Admiral Harris had been with the Fleet Corporation only about ten days when he stated to me that one of his men was in Philadelphia, looking for an office building to which the Fleet Corporation's executive offices might be removed; and that he intended to sign a lease the following day. I told him he should ascertain all the facts regarding leases and have the proposal formally approved by the Board. I said this should be done as a matter of courtesy to the Trustees,

[1] Hearings before the Committee on Commerce, U. S. Senate, 65th Congress, 2d Session. S. Res. 170. P. 60.

if for no other reason. The Admiral strongly resented this suggestion and said his understanding was that he had full authority to act on all such matters. I was much surprised at his attitude, in view of the frank and thorough understanding which he and I had at the outset.

That afternoon, the Admiral came to my office and asked me to sign a number of contracts for new ships. When we were alone, he started to walk the floor in front of my desk, and said: "Mr. Chairman, I am very much perturbed over your suggestion to-day that before I enter into any lease for an office building in Philadelphia I should present the matter to the Board of Trustees of the Fleet Corporation. I want to assure you that if I have to continue to get approval in advance on matters of this kind I shall go back to the Navy."

I endeavored to placate him by stating that there were certain courtesies which ought to be extended to the Trustees, who had not been advised of his desire and purpose to move the Corporation to Philadelphia. I told him that it would require only a few minutes to submit the matter, that I was personally in favor of the proposal, that doubtless the Board would approve of it, but that the members were entitled to be consulted. He was somewhat blustering in his manner, showed a feeling of irritation, and again talked about returning to the Navy. It was the old story of authority. I determined that he should be given an opportunity to carry out his threat.

As soon as he left my office, I dictated a letter to him, outlining our conversation and saying that he would no doubt be happier in the Navy; that I acquiesced in his desire to return to that service, and that I therefore accepted his resignation. I also wrote to Secretary Daniels, enclosing a copy of the letter I had sent to Admiral Harris. Upon receipt of my letter, Admiral Harris immediately came to my office. After

discussing some general matters he said: "Mr. Chairman, I received your letter accepting my resignation. I had no intention of resigning. I did say, I would go back to the Navy unless I had full authority, but I did not think you would take the matter so seriously. You have misunderstood my position and I hope you will withdraw your letter." I replied: "Well, Admiral, I am sure I did not misunderstand you; for you emphasized your statement that you would return to the Navy unless you had full authority. I know you want to be of service and feel that you can render greater service in the Navy than here. I have notified Secretary Daniels that you have expressed a desire to go back and that I have concurred in your request. It is a closed incident so far as I am concerned."

Admiral Harris subsequently made some attacks on the Board through the press, charging that I lacked a knowledge of ships. A short time afterwards, Senator Warren G. Harding, of Ohio, offered a resolution in the Senate for an investigation of the Shipping Board. The resolution was adopted and the hearing was set for December 22nd.

SENATE COMMITTEE INVESTIGATES THE SHIPPING BOARD

I had worked very hard during the preceding four or five months and was beginning to feel that some results were being accomplished. Nevertheless, I was very much concerned about the investigation. The thought of appearing before an investigating committee of Senators who might ask me many technical questions to which I might not have been able to give satisfactory answers caused me great anxiety. Occupying an official position in Washington, one always is seriously handicapped unless he enjoys the confidence and support of the President. I shall ever remember that a day or two before the senatorial investigation President Wilson called upon me in person at my office. The real purpose of his visit was to

show the country and the committee of the Senate that he really was supporting me.

He came to my office several times subsequently, and our force in the building always was in a fervor of excitement when he entered. He usually walked from the White House, accompanied by two secret service men, and entered like any other caller. He never gave any advance notice of his visit. He called at my office at least twice during my absence.

The Senate Committee hearing was an open one and there was a large crowd in attendance. I was very nervous when I began my testimony. I had not slept a wink the night before.

To make the record complete, Senator Fletcher, Chairman of the Committee, asked me my name, how long I had been on the Shipping Board and what had been my previous government positions. I stated that I had been a member of the Red Cross War Council, the War Trade Board and had been Chairman of the Federal Trade Commission. All the time I had a feeling that some Senator would ask me some question that I could not answer regarding the construction of ships. That was my chief dread!

When Senator Fletcher inquired what my occupation had been before I entered the Government Service, I suddenly thought of the importance of my pneumatic tool business to the building of ships, and I said: "Senator, I originated and developed the pneumatic tool business in this country and in Europe. I personally drove the first rivet that ever was driven by a pneumatic hammer in a ship plate on the *Clyde.*"

I could see the surprised expression of interest on the faces of the Senators sitting around the table. This encouraged me. I continued by explaining that a three-quarters inch or seven-eighths inch rivet, when heated and inserted in the hole of two plates of the size used in old style ships, could be driven by hand and the space filled quickly with the hot metal. In the case of an inch and a quarter or an inch and a half rivet now

necessary in building modern ships, when driven slowly by hand it would leave the head of the rivet appearing perfect, but the holes in the plates would not be filled with the hot metal. The result would be that with this lost motion of the rivet in thousands of the plate holes, when the ship went to sea the large steel plates would be likely to shear off the rivets and drop into the water. Such an instance actually had happened in the case of the old *Oceanic*. When these large rivets are driven by pneumatic hammers, the rapidity and force of the blows on the hot rivet quickly fill the holes in both plates with hot metal, thereby making the plates rigid and free from any lost motion. The riveting of a ship gives the hull its watertightness, strength and safety. I also said, that without the pneumatic hammer we could not be building the big ships, with the very large rivets that we were then using.

I told the Committee that after my experience in Great Britain I had travelled through the shipyards of America, carrying my hammers and drills, urging ship-builders to install compressed air so that they might be prepared to build larger ships; but that it had required several years to impress upon them the advantages afforded by pneumatic tools. I was satisfied, however, that my efforts had been worth while, because at that time my pneumatic tools were in use in every shipyard in the world. I could feel that the Senators, the newspaper men and others present were keenly interested in my story, and that their attitude was most friendly. The question which had caused me so much concern: "Hurley, what do you know about ship-building?" had been answered in advance.

Many other questions were asked, but I had "sold" myself to the investigating committee and to the newspaper men, as one who knew something about ship-building. I was informed that when some of the newspaper correspondents who followed Senator Hiram Johnson from the Committee Room asked him what he thought of the investigation, his reply was:

"This is a ratification meeting for Hurley." He was always just and fair—a man of forceful character and integrity of purpose.

After the hearing, Senator Warren G. Harding shook hands with me, saying, "Hurley, I want to congratulate you on the way that you satisfied the Committee. Here are some technical questions written by a Mr. Manson, which he gave me to ask you. I did not present them for fear of embarrassing you." This was just like Senator Harding, a kind-hearted, generous man. I distinctly remember a meeting with him at the White House, after he became President, and his reference to the incident which I have just recited. When I entered his office he greeted me by saying, "Hello, Ed, I am glad to see you."—He then apologized for calling me by my first name.—I replied, "Mr. President, I am greatly honored that the President of the United States should call me by my given name." "Well," he said, "I'll tell you I never called at your office during the war that you did not receive me in the most cordial manner, and I don't forget those who were kind to me then." I responded, "Well, Mr. President, I have held a warm spot in my heart for you, because during one of the most trying experiences I ever had you did the most generous thing, and saved me from what might have been embarrassment and possible ridicule before the Senate Committee and before the country." I then recalled the trick questions which had been handed to him by Manson —who chronically had a grievance against the Shipping Board.

PIEZ IS MADE VICE-PRESIDENT AND GENERAL MANAGER OF THE EMERGENCY FLEET CORPORATION

In order to prevent further friction, dispute and uncertainty in the Fleet Corporation's fundamental organization and to install a management which would

CHARLES PIEZ

APPOINTED VICE-PRESIDENT AND ELECTED TRUSTEE OF THE EMERGENCY FLEET CORPORATION NOVEMBER 11, 1917; VICE-PRESIDENT AND GENERAL MANAGER DECEMBER 15, 1917; DIRECTOR GENERAL DECEMBER 12, 1918; RESIGNED APRIL, 30, 1919.

be the equal of that to be found in any successful private industrial enterprise, I had to turn to a man who knew how corporations are conducted and who had made a record as an executive of ability. I found my man in Mr. Charles Piez.

Piez was an engineer with a national reputation. I had originally made him Chairman of a Committee with two other distinguished engineers, Mr. Charles Day and Mr. Arthur J. Mason, to report on the conditions of the wood shipyards. His reports and recommendations were clean-cut in their exhaustive consideration of the technical facilities at our disposal. At my suggestion he was elected Vice-president, on November 11, 1917. With the unlimited power conferred upon me by the by-laws, I personally appointed him General Manager of the Fleet Corporation, on December 15, 1917. I was subjected to criticism for naming Piez instead of a ship-builder. But I knew that Piez could employ naval constructors, naval architects, engineers and ship-builders, and work out a better organization than could be done by having in charge a ship-builder who lacked his organizing ability.

Piez and I differed on many questions, probably as much as had Denman and Goethals. But, in spite of our differences we worked effectively together, throughout the war and after. If any additional evidences were needed that the original organization of the Fleet Corporation was faulty, we have it here. The Fleet Corporation had an organization which was the exact duplicate of that to be found throughout American industry—an organization based on the idea that authority must be centralized, and that the doing of the job is of far more importance than the personal feelings or opinions of any man in the organization.

To Piez I delegated executive control of the Fleet Corporation, with full charge of construction of both shipyards and ships. He fully understood that he was

exercising delegated authority; and that direction and responsibility, as provided in the amended by-laws, rested with the president of the corporation. No man displayed greater constructive energy and resourcefulness in meeting the constantly changing conditions with which we were faced.

Briefly summarized, the principles which guided me in reorganizing the Fleet Corporation, an organization which constantly was growing and exhibiting new branches and twigs, were these: Service and helpfulness to the ship-builders; geographical decentralization to avoid long delays in arriving at decisions; alignment of the Corporation's organization in the Home-office to conform with a changing of policy and administration; provision for a designing, guiding, controlling and policy-determining organization in the Home-office and a supervisory, general service and local management agency in the field. This plan was not conceived and carried out overnight. It was the result of the Fleet Corporation's development. What that development was, we shall see in the growth of the Corporation from an agency, by which enemy ships were taken over and repaired, into the largest constructive organization that the world ever has seen.

THE SUBMARINE ALMOST WON

Fortunately for the Allies, the submarine was not a formidable craft until 1916. The submarine of 1914 could not stay at sea for long periods and therefore was unable to act effectively as a commerce destroyer. Between August and December, 1914, only three vessels had been torpedoed, while forty-two were destroyed by mines or raiders. Far more tonnage was sunk in the first ten months of 1917 than in the previous thirty months of the war. Sir Percy Scott was probably the only high naval or military official of the belligerent countries who realized, at the outset, the

dreadful potentialities of Germany's chief offensive weapon. He freely predicted that Great Britain's commerce might be swept from the seas, and even went so far as to advocate the most intensive use of the submarine as a commerce destroyer long before Von Tirpitz became rabid on the subject. The Germans were not slow to appreciate the possibility of its true worth. Just as Napoleon saw that, however successful his armies might be, his downfall was inevitable so long as England was able to blockade his ports, so Germany concluded that England could be reduced only by preventing her from obtaining supplies from overseas. An intensive technical development of the submarine began. By 1916, the submarine was able to prey upon commerce even in the Mediterranean. In 1917, one British ship in ten that passed the Straits of Gibraltar never returned. When the submarine was armed with guns, and had become larger and more seaworthy, the Allies were in a desperate position.

Germany announced her intention of sinking ships mercilessly on sight, without warning or search, on February 1, 1917. In the first three months following this announcement, 470 ocean-going ships (including all classes of ships, the total was 1000) were sunk. In the month of April, when the United States declared war, over 870,000 gross tons were sunk—a terrific inroad, especially when it is remembered that the world's total of merchant steamers of one hundred gross tons and over (excluding the fleets of Germany, Austria and Turkey) was only about 36,300,000 gross tons. During a single fortnight in April, 122 ocean-going vessels were lost. The rate of the British loss in ocean-going tonnage during this fortnight was equivalent to an average round voyage loss of 25 per cent., one out of every four ships leaving the United Kingdom for an overseas voyage being lost. At this rate the

Allies might well have been forced to surrender, perhaps unconditionally.[2]

By the end of 1917, Great Britain, France and Italy had at their disposal a total mercantile marine amounting to 18,000,000 gross tons as compared with 24,500,000 tons before the war, and of this reduced tonnage they were employing 5,500,000 tons in direct war service. Every month the demands of the combatant armies were increasing, and the pressure on the diminishing margin of the supplies required for civilian life and for the manufacture of munitions was becoming more and more grave. England launched in 1917 only 1,160,000 tons, while her average output for 1915 and 1916 was in the neighborhood of 640,000 tons. The ship production of the world, outside of Germany and her Allies, was only 1,688,000 tons in 1916, and at this rate only about one-fourth of the losses were being replaced. At that time the shipping available for British requirements was 300 vessels below normal; and the British Isles were facing possible starvation. When, in the face of this appalling shortage of tonnage, it was proposed to send an army of millions from the United States to Europe with clothing, food, munitions, transport trains, and railway supplies, no wonder many voices declared the task to be impossible.

[2] Probably the most authoritative summary of war losses of merchant vessels is that given by Sir Arthur J. Salter in his "Allied Shipping Control." I therefore append the following table which is a digest of his more detailed statistics:

War Losses of Merchant Vessels of Allied and Neutral Nations from August, 1914 to November, 1918:

	Gross Tons
1914	319,400
1915	1,312,216
1916	2,305,569
1917	6,078,125
1918	2,528,082
	12,543,392

This total of 12,543,392 gross tons (18,815,088 deadweight tons) includes losses by submarines as well as by mines and raiders.

WAR CARTOON

"THE BRIDGE TO FRANCE"

BY

J. N. DARLING

Almost every distinguished foreign visitor who was in a position to speak insisted upon the importance of shipping. Thus, Lord Northcliffe, when he called on me in Washington at the end of October, 1917, impressed upon me the gravity of the Allied position and urged the need of ships to maintain an American army in France. Although he could give no accurate figures he strengthened my conviction that without ships there would be little use in sending our soldiers abroad; we could not maintain them adequately, neither could the Allies. Northcliffe was more interested in seeing thousands of airplanes built than in ship-building, yet he recognized that without ships his airplanes and the supplies required by a large American army in France never could be transported overseas.

The speech of Lloyd George drove home to us the importance and magnitude of our work. "It (shipping) has never been so vital to the life of the country as it is at the present, during the war," he said. "It is the jugular vein, which, if severed, will destroy the life of the nation." Soon after came the ringing appeal of President Wilson. In his address to the people of the country he declared: "We must supply ships by the hundreds, out of our shipyards, to carry to the other side of the sea, submarines or no submarines, what will every day be needed there." It was our duty, he said, to supply materials, " not only to clothe and equip our own forces on land and sea but also to clothe and support our people for whom the gallant fellows under arms can no longer work; to help clothe and equip the armies with which we are coöperating in Europe; and to keep the looms and manufactories there in raw material. We must send coal to keep the fires going on ships at sea; steel out of which to make arms and ammunition, both here and there; rails for worn-out railways back of the fighting fronts; locomotives and rolling stock to take the place of those every day going to pieces; mules, horses, cattle for

labor and military service; everything with which the people of England, and France, and Italy and Russia have usually supplied themselves but cannot now afford the men, the material or the machinery to make."

MAN-POWER AND SHIPPING "THE FIRST TWO DEMANDS"

After the United States entered the war President Wilson sent the House Mission to Europe. A conference was held with the British War Cabinet on November 20, 1917, which was opened by Lloyd George with an address which dramatically revealed what was expected of us. "After a good deal of consultation with my colleagues and our naval and military advisers, I should put man-power and shipping as the first two demands on your consideration," said Lloyd George. "I am not quite sure which I will put first. I am not sure that you can put either of them before the other, because they are both of the most urgent importance."

Russia had utterly collapsed. Italy with half of her equipment and between 200,000 and 300,000 men lost, France much exhausted and facing the probability of being overwhelmed with 600,000 additional German troops—both were on the verge of defeat. Hence Lloyd George's plea for American troops. But he coupled that plea with a demand for ships. "It is no use having men and guns and equipment unless there are ships to carry those men and their supplies across the ocean."

CHAPTER IX

HOG ISLAND

Fabricated ships could be built most efficiently in new assembling yards. To build and equip such yards was beyond the financial means of most private companies. Moreover, I was convinced that the building of ships was essentially the country's business—a business involving direct government ownership and operation of the yards, during a war crisis. I have been a steadfast opponent of government ownership; it means inefficiency and waste, as a rule. It so happened that the Emergency Fleet Corporation, although a government agency, was organized and managed as if it were a private enterprise. We therefore had the mechanism of a private enterprise, and yet government control. For this reason it became feasible to assume direct charge of yard-building and ship-building, for war purposes only.

The contracts placed with the four government-financed fabricating yards amounted to 25 per cent. of the steel-ship contract program. Since these yards were of primary importance, particularly that at Hog Island, I will discuss them in some detail. These were the "agency yards," to which I have already referred, and comprised the Hog Island yard of the American International Shipbuilding Corporation, the Bristol yard of the Merchant Shipbuilding Corporation, the Newark yard of the Submarine Boat Corporation and the Wilmington yard of the Carolina Shipbuilding Company. These four yards had a total of ninety-four ways, and when in full operation could build more tonnage in a year than ever was produced in any country before 1918.

By far the largest of the yards in which fabricated

ships were assembled was that built at Hog Island by the American International Shipbuilding Corporation. Hog Island originally was a dreary swamp. In accordance with a contract dated September 13, 1917, this swamp was almost miraculously transformed into the world's largest ship-building plant. By February 12, 1918, despite the rigors of a terrible winter, the Hog Island yard was half completed and the first keel laid —the keel of the *Quistconck*. Hog Island was projected by the well-known firm of Stone and Webster, contracting engineers. The grandiose lines on which it was planned by them testify to their imagination and vision. Despite the severe criticism to which the Corporation was subjected, I firmly believe that it was inspired by the highest patriotism when it laid before the Shipping Board its plan for building ships by the hundred. I had many dealings with Charles A. Stone, and I conceived for him the highest respect as an engineer and an honorable business man. Had it not been for his courage and wisdom Hog Island would not have become the greatest ship-building plant ever constructed.

We had studied thoroughly the possibilities of building fabricated ships in a fifty-way yard to be located on that site and had come to the conclusion that the proposals of the American International Shipbuilding Corporation, headed by the ablest and most experienced steel-construction men to be found in the country, were thoroughly sound. The choice of the site was governed by many factors. Facilities had to be available for receiving 300 carloads of material a day. Abundant electric power and fresh water had to be on tap, in quantities sufficient for a city of the size of Providence or Minneapolis. A water front of two miles was required, and the water had to be deep. Again, the yard had to be sufficiently distant from the ocean to make bombardment by hostile vessels impossible. On the whole Atlantic Coast, Hog Island seemed to its projectors to be the only site which met these

requirements and which presented the fewest of disadvantages.

For a time it seemed as if the Hog Island project would be abandoned. The yard was to be built with government money, and the Denman-Goethals controversy caused the projectors to conclude that it would be inadvisable to contract for the building of fabricated ships on an unprecedented scale with a government agency which was not dominated by a single responsible head. Our need of ships was so great, the Hog Island project had much in its favor and had been thoroughly studied by Ferris. At the suggestion of Admiral Capps I telegraphed to Harris D. H. Connick, Vice-president of the American International Shipbuilding Corporation, to come to Washington. Admiral Capps and I discussed the details of the Hog Island plan with Mr. Connick. We signed a contract on the fee basis, which made the Hog Island yard a reality.

The cost of constructing the Hog Island plant, with its piers and shops, was approximately $65,000,000 (contract price). The yard covered 846 acres and comprised 250 buildings. It had 80 miles of railroad track; 3,000,000 feet of underground wiring; a hospital; Y. M. C. A., hotel, cafeteria, trade school, 12 service restaurants and 5 mess halls. Twenty locomotives, 465 freight cars and 165 motor trucks hauled material within the yard. Hog Island's telephone traffic was equivalent to that of a city of 140,000 inhabitants. The 50 ways of the yard extended about a mile and a quarter along the Delaware. Altogether there was a water frontage of 20,000 feet. Fifty ships could be built on the ways while 28 were being fitted out at the piers simultaneously, making a total of 78 ships under construction at one time. There never before had been conceived or executed a plan for the fabrication of ships on such an enormous scale. At the peak of its activity, 34,049 men were employed at Hog Island.

To achieve its purpose the yard had to assemble

this army of ship-builders, almost twice the number employed in normal times in the whole Delaware River district; and the men had to be obtained at a time when in and around Philadelphia, near which the yard was located, two billion dollars worth of war contracts had been placed.

Hog Island laid its last keel on December 8, 1919. At the height of its production a keel was laid on an average of every five and one-half days. During the fiscal year 1920–1921, 31 ships of 238,500 deadweight tons were completed, including 11 troop transports of 8800 deadweight tons delivered to the Army and one ship of 8000 deadweight tons to the Navy for conversion into an aircraft tender. The original program provided for the construction of 110 cargo carriers and 70 troop transports, totalling 1,385,000 deadweight tons; but 58 of the troop transports were cancelled, on account of the armistice, leaving an active program of 110 cargo vessels and 12 troop transports. The last ship of the 110 was completed on January 21, 1921, and construction work then was suspended.

Fabricated ship parts for Hog Island had to be hauled from thirty-eight mills to eighty-eight fabricating plants, as far west as Kansas City and St. Paul, and as far north as Montreal, because there were not enough steel fabricators in the east. It was no mean performance on the part of the Emergency Fleet Corporation to transport this steel in the proper sequence at the proper time to Hog Island, all the more so since the performance had to be duplicated for many shipyards. All the material shipped to Hog Island was carefully classified and located. Thus, one of the yards at Hog Island, known as the "C" yard, was used for storing some of the immense amount of material that was received almost daily. There were approximately three thousand locations on that yard, each of which received a number to correspond with one on a map of the yard. Each piece of material, as it arrived, was

placed on a specific location, and that location was designated on the map. Hence it was easy to find the piece when it was wanted. This shows how the work of assembling fabricated parts was systematized so that a predetermined schedule could be followed. In another yard at Hog Island (the "A" yard) there were about nine thousand different locations for storing hull steel.

Mr. George O. Muhlfeld was largely responsible for organizing the Hog Island enterprise in accordance with the vision of Mr. Charles A. Stone. Muhlfeld worked night and day with several hundred men of the Stone and Webster organization, to create the nucleus of a competent personnel. He freely gave us the benefit of his wide experience. Muhlfeld was one of the few important executives who remained with the Hog Island organization from its inception to the end of the war. He was Vice-president of the American International Shipbuilding Corporation until after the armistice was signed.

The first president of the American International Shipbuilding Corporation was Mr. Dwight P. Robinson. He was fortunate in having unusually able and devoted assistants—men like Mr. Robert E. Hamilton, Mr. Walter Goodenough, and Mr. I. W. McConnell. Hamilton was the man who successfully directed the purchasing of the enormous quantities of structural material required by Hog Island. Goodenough, another assistant to Robinson and Muhlfeld, threw himself with such self-sacrificing enthusiasm into the work of building ships at Hog Island that he broke down physically after a year and a half of strain, and was succeeded as general manager by the equally competent McConnell. When Robinson resigned as President his place was taken by Mr. Frederick Holbrook. The latter was shortly afterwards succeeded by Mr. Matthew C. Brush.

Brush came to Hog Island as President of the American International Shipbuilding Corporation after

most of the grief and trouble which we had experienced in laying out and establishing the plant was over and it was equipped for the production of ships. His dynamic personality was needed at that time to capitalize the early efforts of the organization in building the yard. It required only a few weeks, with him in charge of Hog Island, to satisfy the Shipping Board that he would deliver the ships which were so sorely needed.

We used Hog Island for a year and a half as a splendid example of what American initiative would do in a national crisis, with the result that the eyes of the whole world were focused upon it. Dozens of distinguished foreigners inspected Hog Island, and could "hardly believe their eyes."[1] Typical of their comments is that of Lieutenant Wiezbicki, of France: "This, Hog Island, is one of the two most important places in the world to-day. The other is the River Marne." "Eighth wonder of the World" was the title of an article on Hog Island written for *Le Journal* of Paris by Jacques de Marsillac. Colonel T. Yoshida, head of a Japanese military mission said: "We came, we saw, and were amazed; we never thought there was anything so big in the world. I am amazed at the size and speed at which it was constructed." Some of the distinguished foreigners were decidedly pro-German in their sympathies. The moral effect of what they saw at Hog Island was of incalculable benefit to the American cause. They sent accounts to Germany which must have presented a very discouraging picture from the German point of view.

Most of the Latin American countries were loyal to the Allies throughout the war. There was a feeling, however, that some of them entertained a more or less degree of sympathy for Germany. The ambassadors and ministers representing these countries in Washington were brilliant men, and highly skilled diplomats. We came in contact with them frequently, especially

[1] See Salter: "Allied Shipping Control."

because of the requirement for ships needed to import many of the raw materials which we purchased from Central and South America; and because, in return, it was necessary for us to supply their economic needs for manufactured goods and coal.

We wished to impress them, for the effect which it would have on their Governments at home, with the supreme effort which the United States was making in support of the Allies, and the magnitude of that undertaking. I suggested to President Wilson that we might more effectively help to do this by having the State Department invite all of the Latin American representatives in Washington to visit the Hog Island Shipyards as guests of the United States Shipping Board. He agreed with me, and directed that the State Department extend such an invitation to all of these diplomats. The invitation was accepted by all, without exception. I accompanied the delegation on a special train from Washington. Before inspecting the plant, we arranged to take the diplomats aboard a boat and allow them to get their first impression of the yard by viewing the piers, docks and fifty shipways along the river front. I never shall forget the astonished expression upon their faces as we steamed along the Delaware and they beheld fifty huge ocean-going vessels in different stages of construction upon as many different ways, and a score or more of other vessels being fitted out at the docks. They found it quite impossible to understand how this, the largest shipyard in the world, had been established in so short a time. They knew that we had built, or were building, more than a hundred others, although none approaching Hog Island in magnitude. If there ever had been any doubt on the part of these Latin American representatives as to the ability of the United States to maintain a sufficient army in France to encompass the defeat of Germany, I am sure that this doubt was effectively dispelled when they came to appreciate the enormous scale upon which we had

undertaken the production of ships to keep our army fully equipped with necessary supplies.

We entertained the guests at luncheon in the restaurant at Hog Island yard. I took occasion to outline our entire ship-building program and to discuss the closer commercial relations which would develop, after the war was won, between the United States and our sister republics of South and Central America, explaining that we hoped to be able to use these ships they had seen in the course of construction, and others, in our trade with their people. The moral effect of this junketing trip was very salutary.

It should be borne in mind that the investigations which were made were begun while the plant at Hog Island was still under construction and before a keel had been laid; at a time when it still was possible to correct any mistakes. In the end, Hog Island turned out ships efficiently, and with a rapidity never achieved before; and these ships were classed not only as among the best produced but also as those which demonstrated their soundness, economy and efficiency in practical operation, on the seven seas. I am glad to record that the investigation, which was made at my request by the Attorney General, to find out how the sixty-five million dollars we had invested in the plant had been spent, revealed no fraud nor financial misdeeds on the part of the American Shipbuilding Corporation; but only some waste, of which rumors had reached me. Looking back at Hog Island after an interval of years, I cannot defend it as a peace undertaking. But I firmly believe that under the extraordinary pressure of war —with submarines sinking ships at the rate of several hundred thousand tons a month and with the Army becoming more and more insistent in demanding ships and more ships—the assembling of fabricated parts on an unprecedented scale by such a plant as that built at Hog Island was justified. I know that P. A. S. Franklin, a man whose whole active life has been spent in

the shipping business and for whose opinion I have the highest respect, thought of Hog Island as a war plant. He said as much to a Senate Committee, in these words: "Our yards had to be expanded overnight; and the Fleet Corporation would have been seriously criticized if it had omitted to provide a yard like Hog Island. Moreover, Hog Island was of great value in helping to win the war, both in giving moral assistance to our allies and in alarming our enemies." [2]

Perhaps the strongest endorsement that Hog Island could have received came from the President and Mrs. Wilson. There was great enthusiasm in the yard when the first ship was ready to be launched. Mrs. Wilson had selected the Indian name *Quistconck* [3] for the first of the Hog Island ships. Consequently we all were very anxious that she should go to Philadelphia and have the honor of christening it. There was serious question, in view of the President's strenuous duties, as to whether he would be able to leave Washington for a day. I explained to him that in view of Mrs. Wilson's excellent service in selecting names for all of our contract vessels, the workmen in the yard and in the entire organization were very desirous that she christen the first of the 150 ships which Hog Island had contracted to build. He said that if I obtained Mrs. Wilson's consent and there was an understanding that he would

[2] Hearing before the Committee on Commerce, U. S. Senate, 65th Congress, 3d Session pursuant to S. Resolution 170. Part 8, p. 257.

[3] "Quistconck" is the name by which Hog Island was known among the Delaware Indians and from which the present name was derived. In the language of the Delawares "quis-quis" meant "hog" and "unk" or "onk" meant a "place for," hence the word "quistconck" meant "hogs' place," the name which the Indians gave to the swampy or marshy island.

Quistconck or Hog Island was first surveyed in 1655 by Lindstrom when he was making a survey of the Delaware River for the Swedes. Lindstrom assigned to the island the name of "Keyser Eyland, Ile des Empereurs," doubtless with the intention of honoring his Emperor, the great Gustavus Adolphus.

In 1681 the island was purchased from the Indians by Otto Ernest Coch, Esq., the first white owner, evidence of the purchase being fully established by official records of Upland Court, the approval of which was necessary to complete the title at that time.

not be called upon for a speech, he would endeavor to attend. Mrs. Wilson graciously accepted my invitation and entered into the spirit of the occasion.

Because it was the first vessel to be launched in Hog Island, many prominent business men and leaders from Philadelphia and New York were present. It was a gala event in the Hog Island yard. When Mrs. Wilson mounted the launching platform, accompanied by the President, one of the riveters who had been selected by his fellow workmen on the *Quistconck,* approached and presented her with a beautiful bouquet of roses. It had been purchased by five-cent contributions made by the men who had worked on the ship. The first lady of the land was deeply touched by this token of esteem. As she crashed the bottle of champagne over its prow and the *Quistconck* slid gracefully down the ways into the waters of the Delaware, the immense crowd broke forth with a resounding cheer. Following the launching the President remarked, after seeing the vast plant, "Hurley, I believe it was worth while."

The report of the launching produced a heartening reaction in Great Britain and among the Allies, and carried alarm to the Germans. The British were particularly pleased. They felt that this ship was a forerunner for hundreds of ships. Their feeling was indicated by cablegrams which I received on the following day from Sir Joseph Maclay,[4] the British Minister of Shipping, and from Lord Northcliffe. The former said:

CABLEGRAM

"Hurley London
Washington

Congratulate you heartily upon magnificent accomplishment, which is further guarantee of the defeat of the submarine. We rejoice in the absolute assurance that America's military effort, vast though it is, will not be hampered by the lack of tonnage. Maclay."

[4] Sir Joseph was elevated to the peerage in 1922, and is now Lord Maclay.

MRS. WILSON CHRISTENING THE *Quisconck*, ACCOMPANIED BY PRESIDENT WILSON AND OFFICIALS OF THE SHIPPING BOARD.

Lord Northcliffe's cable read as follows:

CABLEGRAM

"Hurley London
Washington

Congratulations to you and to the workers at Hog Island on magnificent piece of war-winning.

Northcliffe."

Men like Holbrook (who literally died in harness), Hamilton and Goodenough of the Hog Island staff, and Mr. Peter O. Knight, the efficient general counsel, gave services to their country which, in my opinion, deserve public recognition never fully accorded.

Although the other "agency yards" wherein fabricated ships were built were large yards, they were laid out on a scale which was so much less pretentious than that of Hog Island [5] that they were more easily controlled.

The yard at Bristol, Pa., was that of the Merchant Shipbuilding Corporation. Mr. Averill Harriman, the principal stockholder, and Mr. R. H. M. Robinson (a brother of H. M. Robinson of the United States Shipping Board), President of the Merchant Shipbuilding Corporation, proved to be able executives and energetic business men. They coöperated whole-heartedly with us in turning out good ships at high speed. Thanks to its energy and foresight the splendidly managed Merchant Shipbuilding Corporation gave us no trouble. A contract was signed with this organization by the Fleet Corporation on September 7, 1917, for the con-

[5] Sir Arthur J. Salter, a British expert on shipping, in his book, "Allied Shipping Control" refers to Hog Island and other incidents of our great effort as follows: "The 'Four-Minute' campaign to enroll labor, the foundation of the Immense Hog Island yard, where a ship was launched ten months after the ground was first broken; of the invention of the fabricated ship, which was manufactured instead of built; of standard parts being made in hundreds of yards and assembled only in the shipyards. The achievement was a wonderful example of the rapid adaptability of modern engineering skill in a country with ample resources in men and materials, and an adequate incentive to rapid effort."

struction of twelve ways for 9000 ton ships, with fitting-out piers and sufficient shop capacity to fabricate about 15 per cent. of the steel required in the ships. The yard, piers and shops cost approximately $12,000,000. The Bristol yard was ready to lay its first keel on February 16, 1918, about five months after the contract was signed. The original contract with this yard called for sixty cargo-ships of 540,000 deadweight tons. Cancellations after the armistice reduced the program to forty ships of 360,000 deadweight tons. The yard delivered its last ship on February 28, 1921.

LAUNCHING OF THE "COSTIGAN"

The launching of a ship was an important event in any shipyard. The ship-builder and the employees made it a gala day, and hundreds of people would witness the christening. In order to develop a keen interest among the people of the interior of the country in our ship-building program we named ships after cities of Iowa, Illinois, Minnesota and other states. Frequently from such cities would come special delegations headed by the Mayor and the favored young lady of the town who was to have the honor of christening the ship.

Mrs. Woodrow Wilson at our request named all the contract ships built by the Fleet Corporation. Being a descendant of Pocahontas, most of the names she selected were of Indian derivation. Occasionally, when we desired to make a change we asked her permission, as when I personally requested of her that a ship be named in honor of Mr. George M. Cohan, to express to him the country's appreciation of his musical contributions during the war. Cohan's inspiring song "Over There" was being played or sung by every American soldier and also by the soldiers of the Allied armies. It was hummed and chorused by the hustling crews in our shipyards, and undoubtedly had something to do with stimulating the morale and with keep-

ing aglow the fires of patriotism of the workers as they visioned the ships that won the war by sending the boys "over there." I met Cohan in Washington, told him of my appreciation of his great song, and said that as a slight testimonial of his services we should like to name a ship the "Cohan." He was most appreciative of the proposed honor but said he would prefer that the ship be named for his maternal grandfather, Dennis Costigan. I explained to him that it was our custom to confer only a single name upon a ship, and that the name "Costigan" without the "Dennis" would be appropriate. He agreed that this would be satisfactory.

Accordingly, when the time arrived, I went to the Merchant Shipbuilding Company plant at Bristol, Pennsylvania, where the launching of the *Costigan* was to take place. Usually I did not have time to attend launchings personally, but I felt that this was in the nature of a special occasion.

The affair was something unforgettable. There stood the great 9000-tonner, ready to glide down the ways into the sea. Standing on the launching platform, waiting for the signal to crash the bottle of wine on the prow of the vessel, was Mrs. Helen Frances (Costigan) Cohan. At her side stood her famous son, George. I was very much impressed by the marked devotion and attention which he showed to her. While last minute preparations were in progress, Mrs. Cohan reminisced a bit and related to me that the last time she had been in Bristol was some twenty-five years previous, when she and her husband, with George and his sister, Josephine (since deceased), were travelling through that section of Pennsylvania, performing at "one-night stands" and doing a skit which the father and mother played. As the ship started to move slowly down the ways I saw a tear launched simultaneously down her cheek.

"I christen thee 'Costigan,' " she said, in a voice

which told much of what her mind was conjuring up, and indicated that in her memory she was re-living incidents of long ago. To the familiar strains of her son's popular song "Over There" the great ship slid gracefully down the ways into the waters of the Delaware.

Later she told me she had been thinking of all the Costigans and Cohans who had passed away. She said she was very proud that the name "Costigan" had been given to such a fine ship and expressed the hope that it would be the forerunner of a new and glorified American Merchant Marine to sail the seven seas, to enter all foreign ports and to stand at anchor at the roadsteads of the world as did the American vessels in the days of our forefathers.

As a further appreciation of Cohan's song, I wrote to Secretary of War Baker and urged that he recommend to the President that Cohan receive the distinguished service medal. Secretary Baker was most sympathetic toward the proposal but pointed out that the law forbade the conferring of a medal upon a citizen not directly connected with the service. However, were the matter of giving Cohan a medal left to the American soldiers, I am sure it would have been so awarded by their unanimous vote.

The contract for the construction of the Newark Bay Shipyard at Newark, New Jersey, was entered into on September 14, 1917. It was made with the Submarine Boat Corporation of which Mr. H. R. Carse was president, and Mr. H. R. Sutphen was vice-president. Carse had had extensive business experience and was a very successful executive. Sutphen was a naval architect and engineer, and had a broad knowledge of ship construction. The Submarine Boat Corporation had been engaged for years in the building of submarine torpedo boats for the United States Navy, for Great Britain and, with the exception of Germany and France, for practically all other countries of the world

having naval establishments. It had absorbed the Holland Torpedo Boat Company, which was the first to build and turn over to the United States Navy a practical submarine boat. The success of the Submarine Boat Corporation in the building of underwater boats convinced us that it would be highly advantageous to contract for the services of its experienced organization for the production of cargo vessels.

Prior to our entrance into the war, the Submarine Boat Corporation had completed for the British Admiralty 550 submarine chasers. These boats were built of wood, the hulls having been fabricated at the concern's shops in Bayonne, New Jersey, and shipped to assembling yards in Montreal and Quebec, Canada. This was done because at that time the United States was neutral. The plan of fabrication was so successful and the chasers were so effective in hunting down submarines that the company had been engaged to build similar boats for France and Italy. The corporation, therefore, had a very effective working organization and a knowledge of fabricating ships even though they were wooden vessels.

Our contract with the corporation called for the erection of twenty-eight ways and the building of 150 five-thousand-ton ships, besides outfitting piers and shops for fabricating about 6 per cent. of the steel required. The yard cost seventeen million dollars. Because of the fact that its organization was established, the corporation was able to lay the keel of its first vessel on December 20, 1917. In all the history of ship construction, there is no record that compares with the speed made in this effort. Notwithstanding the difficulties of the extremely severe winter that followed the railroad embargo, and the shortage of men and materials, the submarine yard was completed so that its first ship, the *Agawan,* was launched on May 30, 1918, eight and one-half months from the time the contract was signed for the building of the yard.

For the depressing moral effect which an accomplishment of this character would have upon Germany, we made a special effort to let the news of the building of this yard, and the successful launching of its first vessel within record time, percolate through the lines to the German High Command.

All the work of the Newark Bay yard was completed during the fiscal year ending June 30, 1920. The last keel was laid on November 11, 1919, on the anniversary of the armistice, and the last ship was delivered June 11, 1920. All told, 118 ships were constructed for the Fleet Corporation by the Submarine Boat Corporation, aggregating 598,850 deadweight tons. The remaining thirty-two ships called for under its original contract were completed and taken over by the Submarine Boat Corporation for its own operation in the final settlement which it made with the Fleet Corporation.

There were other yards in which ships were built wholly or partly of fabricated parts. There were nine of these additional yards, with a total of fifty ways.

PROTECTING THE SHIPYARDS

When the work of constructing shipyards was well under way we organized the Plant Protection Section of the Fleet Corporation and charged it with the duties of guarding yards against fire and possible attempts which might be made by "cranks" and enemies to destroy buildings, machinery and material; of censoring articles for publication referring to ship-building; and of supervising the issuance of passes for admission to the yards and mills in which work was being done. This Section was placed directly under the jurisdiction of Howard Coonley, as an administrative function of the Fleet Corporation's organization. Before that, the Section had been under the control of the construction side.

Our fire protection system grew out of the offer of

the National Board of Fire Underwriters, made in September, 1917, to extend to the Fleet Corporation the facilities of its nation-wide organization of fire protection, inspectors and experts, for the nominal sum of $1 per year in each case. Mr. M. C. T. Bissell was head of the Section from September, 1917, to November, 1918, and Mr. R. C. Dennett from November, 1918, to March, 1919, by which latter date the work was practically completed, and the National Board of Fire Underwriters could withdraw its engineers. Fire protection then became the duty of the Shipyards Plants Construction Section. Such was the efficient work done by Bissell and Dennett that during the twelve months ending March, 1919, the fire losses were only $320,007 out of a total value of one and one-half billion dollars—a loss of two one-hundredths of 1 per cent. Although 5195 fires broke out, in only seventeen cases was the loss over $1000.

I asked the War Department to assign Lieut.-Col. James A. Blair, Jr., and Lieutenant (later Captain) L. Ames Brown to the Shipping Board, to organize an Intelligence and Plant Protection Section. Later, when we moved the headquarters of the Fleet Corporation to Philadelphia, Major Blair also went with us to continue as head of the Plant Protection Section, while Captain Brown became Chief Intelligence Officer of the Shipping Board.

It stands to the credit of the Plant Protection Section and the Intelligence Division—which these officers ably coördinated with the Intelligence sections of the War Department, Navy Department, Department of Justice, Alien Property Custodian and War Trade Board—that throughout the war the entire Shipping Board and Fleet Corporation organizations were kept free from traitors and enemy aliens who might otherwise have wrought great destruction through sabotage. Not one launching was delayed through enemy action.

CHAPTER X

OPERATING THE FLEET

In September, 1917, when the Shipping Board found itself possessed of a fleet as the result of requisitioning all ships over 2500 tons deadweight, we were forced to establish a Division of Operations and make full use of the power given us by the Shipping Act. At that time a condition almost bordering on chaos prevailed in the shipping industry. We therefore required an executive with vision, who had no special shipping interest to serve and who could organize and handle men in what was developing to be one of the most important divisions of the Shipping Board. For this reason we asked Mr. Edward F. Carry to take the position as Director of Operations. The effective work which Carry did in organizing this important division proved that we selected the right man. His untiring energy, his fine judgment of men and their loyalty to him under very trying conditions, gave assurances of the success of the Division of Operations.

As Director of Operations, Carry represented the Shipping Board in many of the war conferences with the Secretary of War, the Secretary of the Navy, and also with the Executive Board of the Army War Council which met weekly in the War Department and was composed of cabinet officers, chairmen of the various boards and commissions in Washington connected with war work, and the Chief of Staff of the Army. His advice and counsel in coöperating with the different branches of war activity always were welcomed. As ships were acquired or built, they were turned over to the Division of Operations.

These ships then were assigned by Director Carry,

EDWARD F. CARRY

VICE-CHAIRMAN OF THE SHIPBUILDING LABOR ADJUSTMENT BOARD TO SEPTEMBER 11, 1917; DIRECTOR OF OPERATIONS, UNITED STATES SHIPPING BOARD, SEPTEMBER 29, 1917, TO OCTOBER 28, 1918; TRUSTEE, EMERGENCY FLEET CORPORATION, AUGUST 7, 1918, TO JANUARY 11, 1919; CHAIRMAN, PORT AND HARBOR FACILITIES COMMISSION, MAY 23, 1918, TO JANUARY 11, 1919.

to the War and Navy Departments and to commercial trades, according to the class and style of ship delivered. The Division of Operations was considered the most important department of the Shipping Board, with the possible exception of the Ship Construction Division.

The Division of Operations acted largely as a ship operator itself, under the direction of Carry. It was his policy to assign as many steamers as possible to commercial companies to partially compensate them for vessels that had been requisitioned by the Army and Navy. Later, as a larger number of vessels was available for assignments, it became necessary to create additional operating organizations. For this purpose, steamship organizations that had been charterers and also those which had acted as leading agents for owners were appointed by him as managing agents. When the assignment policy was first initiated, contracts for compensation had not been determined upon. Therefore steamers were turned over to private corporations with instructions to handle them as if their own, with the understanding however that the basis of compensation was to be decided upon as soon as possible.

During the period when organization was the main concern of the Division of Operations, we were hard pressed on every hand for ships to handle essential and war commodities. The number of vessels was hopelessly inadequate, and often decisions had to be made under desperate circumstances. France was appealing to us for ships with which to supply her with the necessary war materials and we made every effort to be helpful. We were enabled from time to time to work out a solution of this problem through contact with M. Andre Tardieu, French High Commissioner in Washington. M. Tardieu is a type of French Statesman that wins the admiration and respect of every-

one, and I felt under personal obligation to him for his coöperation.

We soon realized our need of a system similar to the British method, to control the movements of vessels. The prime essential was finding the right man. Mr. Welding Ring was selected as Chairman and Mr. J. Barstow Smull and Mr. Daniel Bacon as the other members. Bacon, who was with the Naval Reserves, soon was compelled to resign and return to the Reserves. He was succeeded by A. C. Fetterolf, who was in charge of the traffic department of the White Star Lines. The Chartering Committee finally was composed of Ring (Chairman), Smull and Fetterolf. An abler group of men hardly could have been found for this work. Ring had spent his life in the export trade, of which he had made a very thorough study. Smull was a well-known ship-broker and steamship agent, and knew charter parties as well as any one in the country. Fetterolf was thoroughly trained in the management of steamship lines.

The Chartering Committee's chief task was to force or influence neutral tonnage to enter trades which were rather neglected but upon which we depended for essentials. For instance, we needed nitrates from the west coast of South America. But the neutral steamers preferred the manganese trade of the east coast of South America. The Committee fixed the rates so that it became more profitable to deal with the sources of needed supplies and less profitable to deal with those not so essential. Thus a vessel was allowed to go to the west coast of South America at a high charter rate, and to the east coast at a lower rate. What this control meant in dollars and cents is shown by the fact that the Chartering Committee reduced South American rates by more than 36 per cent. Before a steamer could clear from an American port, the charter party had to be approved by the Chartering Committee. Until

this approval had been secured the War Trade Board would not issue a bunker license.

Our bunker regulations, avowedly aimed at the Northern neutrals, produced consternation at first. The combined effect of the prohibition of exports and the withholding of bunkers was temporarily to paralyze Dutch and Scandinavian shipping in the trans-Atlantic trade. At one time, no fewer than 136 steamers, with an aggregate gross tonnage of 750,000, were held up in American ports. It was a salutary lesson to the Northern neutrals. They realized the Chartering Committee had despotic control of ships; and that the War Trade Board could coöperate with it. Our rule, based on the necessity of compelling ships bunkered here to return to American jurisdiction, was modeled after that of Great Britain and was intended primarily to obtain sufficient tonnage.

Rates had soared to unbelievable heights. Exporters were willing to pay $125 to $150 a ton from New York to France or England, and $300 and $350 a ton to the Mediterranean. The Chartering Committee gradually reduced these outrageous exactions until the highest rate permitted in the trans-Atlantic trade was $75 a ton.

As an instance of the manner in which the Committee meted out justice, I cite a small Canadian steamer which had been chartered to load a cargo of machinery and merchandise for Portugal, by a group of men who thought they could take the chance of charging rates far in excess of those fixed by the Committee. When word was received of what was planned, the Committee asked for a copy of the freight list. This was found to total one million six hundred thousand dollars, although the vessel itself was of less than four thousand tons deadweight capacity. Clearance was refused until steps had been taken to refund nearly one million dollars to shippers who would

otherwise have been gouged. To tighten its hold, the Committee informed American charterers of neutral ships, on March 29, 1918, that they must carry cargos for such voyages as might be determined by the Shipping Board; and that if they declined to do so the Shipping Board would requisition their charters.

While the Chartering Committee exercised effective control so far as basic charter rates were concerned, it could not go far enough in determining berth rates. The rapacious charterer still had a chance to profiteer. Although he could obtain tonnage only at the charter rate fixed, he could charge individual shippers almost any berth rate that he could extort. To remedy this, the Shipping Board decided, on April 18, 1918, that no charters would thereafter be issued except to itself. The Shipping Board, knowing the costs and having complete control of each vessel, now could fix berth rates and harmonize them with lowered charter rates. Berth rates were reduced from $100 a ton to $35 for steamers, and $30 for sailers. After this it became one of the principal duties of the Chartering Committee to control charters for neutral tonnage, on behalf of the Board. This involved delicate negotiations with foreign powers. Most of the time charters were for such periods that we could shift vessels about to insure their employment in the more essential trades. By the end of 1918 the Committee had chartered 326 steamers of 1,403,320 deadweight tons, the largeness of which total is explained by the fact that it includes rechartered ships. In addition to the steamers, there were fifty-five sailers of 129,121 deadweight tons.

The Chartering Committee also exercised through the War Trade Board, which had the power of granting licenses for bunkers and stores and for imports and exports, a certain indirect control over American

vessels. This was made a direct control, through the customs and inspection service of the Treasury Department, by act of Congress approved July 18, 1918. A committee consisting of the assistant director of operations of the Fleet Corporation and the assistant director of the Railroad Administration handled questions that involved relations between shipping and the railroads, such as these: through-export bills of lading, export and import rail rates, allocation of Shipping Board tonnage to relieve temporary railroad congestions at certain ports, joint consideration of traffic available to support regular sailings from American ports, assignment of Shipping Board vessels for railway operation, wage questions involving railway floating equipment and Shipping Board vessels.

The Chartering Committee maintained strict control of charter rates until January 9, 1919, after which date its strictures were relaxed. But prior to that date it had become subservient to the Shipping Control Committee, a body which was called into being in order that American vessels might be operated more in conformity with recommendations of the Allied Maritime Transport Council, and hence with a stricter regard for military exigencies. After February 11, 1918, the Chartering Committee concerned itself almost entirely with charter and freight rates, leaving to the Shipping Control Committee, created on that date, the matter of allocating ships and cargos, and of "turn-around." When the war emergency had passed, the duties of the Chartering Committee decreased still further, so that it was possible to dissolve on March 1, 1919, and to transfer to the Division of Operations such duties as had remained.

In the summer of 1918, Mr. J. H. Rosseter succeeded E. F. Carry as Director of the Division of Operations. Carry accepted the Chairmanship of the

Port and Harbor Facilities Commission. Rosseter displayed his talents as a practical shipping man in recommending to the Construction Division of the Fleet Corporation designs and changes in our war fleet of ships, so that they could be used efficiently after the war in competition with the ships of other nations. He made a report as to the manner and method of equipping and furnishing the 515 and 535 passenger ships; and also for improving the practical loading and other equipment on our cargo ships then being constructed. In the service of the Fleet Corporation no other man was so eagerly sought for his advice and counsel.

CHAPTER XI

SHIPPING CONTROL COMMITTEE

Congestion at the ports in France, at New York and at other American ports, and the fact that the War Department, the Navy Department and the Shipping Board were endeavoring to operate separate fleets, developed a situation that was chaotic. Regardless of the number of ships we might build, unless they were efficiently operated by proper loading and prompt departure from port and the number of days required to make a round trip to France reduced, it would be impossible to feed and supply even a small army in France. It was decided to appoint a Shipping Control Committee to supervise and coördinate operation of the combined fleets.

FRANKLIN—SHIPPING CONTROL DICTATOR

Finding the right men to constitute the Shipping Control Committee was a difficult task. I wanted men of imagination and broad outlook, who also knew world trade—not merely ships and their management. America was fortunate, especially in view of its lack of modern shipping experience, to have such a man as P. A. S. Franklin, President of the International Mercantile Marine Company. He is the recognized authority on ocean transportation, in this country. His opinions on shipping matters and world trade commanded respect at home and abroad. He had been serving on a number of advisory committees and knew exactly how inefficient was our system for utilizing tonnage without regard for the needs of the Allies. I selected Franklin as Chairman of the Committee, February 11, 1918. Desiring to contribute his knowledge and experience to the task of winning the war, he

consented to accept the appointment, notwithstanding the magnitude of other work in which he was engaged both for his own company and for the Government.

On Franklin's recommendation, I named as the other members of the Committee H. H. Raymond, of the Clyde and Mallory Steamship Company, and Sir Connop Guthrie, who represented the British Ministry of Shipping in New York. Realizing that the Shipping Control Committee, of which he had become the chairman, must be clothed with full authority, Franklin was most careful to ascertain just what were his powers. Mr. Edward S. Burling, our general counsel, informed me that Franklin desired to have a resolution passed by the Board clearly defining his authority. I directed him to draft such a resolution and submit it to Franklin for his suggestion. When this had been done, Burling brought it to me for my approval. I was most anxious to avoid the possibility of any controversy over authority. Therefore I requested Burling to submit it to Franklin again, to urge him to insert any additional provisions necessary to give him the powers he wanted. When the matter of Franklin's appointment was under consideration, I was quite well aware that the President did not at that time share my high opinion of him.

The President's feeling toward him grew out of Franklin's connection with the International Mercantile Marine. When Doctor Wilson was President of Princeton University, Mr. Charles B. Alexander, a trustee of the University and a prominent New York lawyer, was one of the principal organizers of the International Mercantile Marine, in connection with the organization of which criticism arose. Because of Alexander's prominence in this transaction Doctor Wilson wished to remove him from the Board of Trustees. Former President Grover Cleveland also was a Trustee of Princeton and Doctor Wilson needed his support to remove Alexander. The President told

me the story and showed some feeling because Mr. Cleveland had disagreed with him and had refused to vote in accordance with his request.

I feared that his feeling against Alexander would be reflected in his attitude towards Franklin. Hence I was reluctant to ask him in advance for approval of Franklin's appointment. I named the Committee and made the announcement in the press, without consulting the President. He made no comment upon it at the time. Franklin performed excellent service and fully met my expectations.

It developed later that the Railroad Administration had a ship suitable for overseas service and which it was using in the coal trade between Norfolk and Boston. The coal situation in New England was very acute for there was scarcely enough fuel on hand to meet the requirements of factories and other domestic users. Secretary McAdoo, as head of the Railroad Administration, was exerting every effort to transport coal by both rail and water. Franklin took the ship in question out of the New England coal trade and sent it to France. In its stead he placed two coastwise vessels which were capable of transporting as much coal as the one he had withdrawn.

At a meeting of the War Cabinet, McAdoo complained to the President about what Franklin had done. When Franklin's name was mentioned the President turned to me and said, "I rather expected that from Franklin." This was the first time he had indicated any displeasure over the appointment of Franklin as Chairman of the Shipping Control Committee. I explained to him that Franklin actually had given more tonnage to the Railroad Administration than he had taken away, and that I would see that he got all the ships he needed though they would be coastwise ships. I said that the one which had been withdrawn was sorely needed for trans-Atlantic service. My explanation satisfied him. Some time afterwards when I had

an opportunity to mention to the President the great saving of time in the turn-around of cargo ships to France which had been brought about by Franklin, he said he realized that I had exercised good judgment in naming Franklin and took occasion to highly commend him for the excellent work he had done for his country. Just before the armistice, when the negotiations for the sale of the International Mercantile Marine to the White Star Line were discussed, Franklin wrote me a letter asking if the Shipping Board had any objections to make to the proposed sale. I submitted the matter to the President and his reply was most cordial, approving the sale.

Franklin directed that all our shipping be put into what may be called "liquid" form, so that no governmental department or person had the right to claim any ship as its or his own. Thereafter ships ceased to be identified with the Army, the Navy, the Fuel Administration, or even the Shipping Board. They became international tonnage, in the manner planned by the Allied Maritime Transport Council. The Departments were requested to state how many tons they had to lift within a given period, and the Shipping Control Committee thereupon found the ships to carry them.

Upon this basic idea of a "liquid fleet," the Shipping Control Committee built its success. Manufacturers of essentials in this country were assured of a steadier stream of raw material. It became possible to meet the most pressing demand with ships that happened to be in port. When a ship arrived, it was assigned at once to another necessary voyage whether or not it previously had carried a cargo for the Fuel Administration or any other governmental agency.

The requirements of the various departments were laid upon Franklin's desk, in the order of their priority, and the most urgent received immediate consideration.

The turn-around, which had been as high as thirty-

P. A. S. FRANKLIN

CHAIRMAN, SHIPPING CONTROL COMMITTEE, FEBRUARY 11 TO DECEMBER 31, 1918. CHAIRMAN, ADVISORY COMMITTEE APPROVING THE DESIGN OF THE FABRICATED SHIP. ALSO CHAIRMAN OF THE COMMITTEE TO ADVISE THE UNITED STATES SHIPPING BOARD ON THE STYLE AND TYPE OF SHIPS TO BE BUILT FOR WAR PURPOSES.

eight days in France and thirty-four days in the United States, fell to nineteen days in France and twenty-three days in the United States. It continued to decline in the United States, to fifteen days in April; and tended to rise slightly, to twenty days in November. In the meantime, the amount of tonnage handled increased nearly fourfold. This efficient method of operating ships to France saved us the equivalent of hundreds of ships.

Franklin collected about him a group of men whom he needed, and accepted no refusal to join his staff. It was he who selected Mr. J. R. Gordon to serve in Europe with the Program Committees of the Allied Maritime Transport Council, after Morrow returned. As organization and good management began to tell in the movement of tonnage from our harbors, the fact became more and more apparent that the French landing ports constituted the neck of the bottle; and that this congestion would have to be relieved for the efficient employment of our ships. The great trouble in France lay in their railroads, which were lacking in engines and cars to move the traffic. This necessitated transportations of railroad equipment to France and constituted one of the big problems to be solved. The equipment was heavy, bulky and very wasteful of ship space. Prior to this time, the Baldwin Locomotive Works, which was building the locomotives we were sending to France, had assembled and boxed them for shipment at its plant. They all were standard size engines. The delay in reassembling them on the other side was very great. This work was done at St. Nazaire, and when the first shipments were made, the average time to get a locomotive in operation, after arrival in France, was thirty-three days. Even this record was steadily falling, owing to the large number of engines being received.

In October, 1917, General W. W. Atterbury, Director-General of Transportation in France, cabled

Mr. S. M. Felton, Director-General of Military Railways, in Washington, stating that England was shipping locomotives, already assembled, across the channel to France. However, they were being shipped across a channel only twenty-miles wide, which was an easy task compared with shipping American locomotives of standard size across the Atlantic Ocean. General Atterbury pointed out the advantages afforded by having these English engines ready to be put into service when they arrived in France, stating: "We can see no good reason why locomotives being sent us from America cannot be shipped in as complete condition as those being shipped to France from England. If this can be done, it will very materially reduce the time and labor required for getting these locomotives into service; and it is especially important that, if possible, this be arranged for, as our facilities at St. Nazaire for doing this work are extremely limited at best, and it is going to be a very difficult matter under present conditions to assemble these locomotives and get them out of the way quickly enough to avoid congestion at the port."

Felton set about this difficult task with a thorough knowledge of the requirements, and with such determination that results he accomplished constitute one of the greatest engineering and transportation achievements of the war.

The first difficulty we encountered was in finding a single-deck steamer, with large open holes and at least four hatches of sufficient size to admit locomotives thirty-five feet eight inches long and nine feet wide. We combed the tonnage market of the world for vessels of this type. It was discovered that the Bethlehem Steel Company had just completed the building of a fleet of four ships, which it intended to use in carrying cargos of iron ore from Cuba to Baltimore in order to feed the Bethlehem Steel Works. These vessels were the *Feltore, Cubore, Santore* and *Firmore.*

In the meantime, Felton had contemplated an investigation of the available derricks, and selected one which could lift one of the standard locomotives from the railroad tracks and deposit it safely in the hold of the steamer. When it is realized that those engines weighed 150,500 pounds each, it may be readily understood that the job was a difficult one. It was somewhat of an experiment; but the care with which Felton worked out the details made it a successful one from the start. The first engines arrived, on their own wheels, at the Bush Terminal in New York and on April 30, 1918, the loading of the *Feltore* was begun. Thirty-three locomotives, and their tenders, practically ready for steam, were placed in the hold of the vessel, between great quantities of tightly compressed bailed hay. The steamer made her voyage from New York to St. Nazaire without mishap and discharged her valuable cargo. Later an economy of space was affected so it was possible to load thirty-six locomotives, including their water tanks, in the holds of each of these four vessels. Thus the time required in getting an engine in operation after its arrival at St. Nazaire was reduced from thirty-three days to eight hours. Subsequently, Felton was able to obtain twelve other vessels capable of handling locomotives on their wheels.

When the first engine was swung over the side of the *Feltore* and gently came to rest on the railroad tracks at St. Nazaire, a French stevedore climbed to the top of the cab and read, in broken but eloquent English, the inscription marked thereon in chalk by an enthusiastic American workman—"Berlin Express. No stop this side of the Rhine."

In the intricate legal difficulties facing Franklin on every side, he depended upon the advice of Mr. J. Parker Kirlin, General Counsel to the Committee. Kirlin was the Dean of American Admiralty law.

Operation of the Army cargo fleet was in the hands of two principal executives Mr. J. H. Thomas and Mr.

Joseph T. Lilly. Operation of the non-military fleet was in charge of Mr. W. J. Love.

Materials for airplanes were in great demand. In April, 1918, when Mr. John D. Ryan was appointed Chairman of the Aircraft Board, (later becoming Assistant Secretary of War) we frequently discussed with him his requirements for mahogany from Africa and South America, as well as the problem of furnishing tonnage later when airplanes would be in production. Knowing Ryan's ability to do things in a big way, I since have felt satisfied that if the war had continued until 1919 he would have made a record in building airplanes that would have demonstrated further America's capacity for quantity production.

One of the highly capable men attached to the Committee was Mr. W. F. Gibbs. In addition to being a naval architect, he is an expert statistician. He worked out an elaborate time table for the fleet. Mr. Harold V. Amberg, a prominent Chicago lawyer, acted as liaison officer between the Shipping Control and Chartering Committees and the United States Railroad Administration, the War Trade Board, the Navy and other departments. He also had much to do with submarine war-zone regulations. He was my immediate legal and administrative adviser—a man of vision and a counsellor of great dependability. While the brunt of the work of the Shipping Control Committee fell upon Franklin, due credit also must be given to H. H. Raymond and Sir Connop Guthrie for the valuable services they rendered as his associates.

THE DIVISION OF PLANNING AND STATISTICS GETS THE FACTS

The work of the Shipping Control Committee could not have been done without facts—facts about national resources, about what was essential and what non-essential, facts that would show the best method to employ ships. A proposal that we form an economic

and marine fact-gathering bureau was made by George Rublee. He proposed that Dean Edwin F. Gay, be authorized to organize a Division of Planning and Statistics. The proposal appealed to me, and I invited Gay to join us.

To this Division, with Mr. Henry S. Dennison as Chief Assistant, we turned when in need of information required to allocate ships. He was our economic mentor. Dennison and his staff made exhaustive studies for the purpose of avoiding cross-hauls and of deciding on the character of cargos that ought to be exported and imported. The size, draft, carrying capacity and speed of each ship were known, as well as her position at sea or in port on any given day. In a word, the Division of Planning and Statistics did for our ships what our auditors did for our money. They kept a strict account of the essentials. It was the clearing house of all information. As such, it kept in touch with the various governmental heads, war boards and other services requiring tonnage; and also furnished facts regarding imports to Stevens and Rublee on the Allied Maritime Transport Council in London. To avoid duplication of effort, Gay was made head of a similar division of the War Industries Board. The Bureaus of Research and of Statistics and Tabulation of the War Trade Board were placed in his charge in June, 1918. Thus the work of restricting unessentials and allocating ships was centred in a single body.

CHAPTER XII

TRADING FOOD FOR SHIPS

On April 1, 1918, an order was issued prohibiting the hiring of neutral vessels leaving American ports unless they had been chartered by the Shipping Board. This forced the would-be charterer to apply to us, and in turn enabled us to fix charter rates, also to assign the ship to the particular service in which she would do the most good. Profiteers who wanted the United States to bid outrageous prices for the privilege of chartering their vessels were completely foiled. The charters were obtained at inter-allied rates, so that there was no bidding by one ally against another. The contracts were for various terms, from a specified period to a single voyage. The chartered vessels were assigned to different operating companies, by the Division of Operations of the Fleet Corporation.

By September 1, 1918, we had chartered a deadweight tonnage of 1,084,986, represented by 220 steamers of 944,238 deadweight tons and 111 sailing vessels of 140,748 deadweight tons. So many neutral countries were involved in these transactions and time was so precious that we determined to standardize the arrangements that had to be made. A general give-and-take policy was adopted. We agreed to license for export necessary food products and raw materials, and foreign nations agreed to charter tonnage in return. Thus, we obtained by charter 614,000 deadweight tons of steamers and 275,000 tons of sailing vessels from Norway; 100,000 tons deadweight from Sweden; 265,000 tons of steamers from Denmark (88,000 tons for unrestricted trade, 90,000 tons for service outside the war zone, and more than 81,000 tons for Belgian

relief, and for exports to Switzerland); 533,746 tons from Holland (by seizure); and a certain number of French sailing vessels in return for a proportionate number of American steamers. The sailing vessels, unsuitable for war-zone service, were used in safe waters at home and in the South American nitrate trade. The steamers were employed in overseas traffic.

Our action in practically commandeering foreign ships in our ports could not warrant our appropriation of such ships without considering the susceptibilities and rights of the respective governments affected. For months the Shipping Board had to assume some of the functions of a diplomatic agency. We enlisted our embassies and consular officers abroad in the delicate process of smoothing down ruffled feelings, a procedure which usually resolved itself into considering the vital economic needs of the country affected and of paying a fair charter rate. Of course, we could not act independently. The State Department had to serve as our mouthpiece. Mr. Frank W. Pope, Under-secretary of State, sensed the spirit of the times and cast aside the old *manana* methods of diplomacy. I frequently telephoned him for an opinion about some delicate shipping situation with a foreign government and he was so familiar with the situation that usually he gave me an immediate answer.

JAPAN

Japan was keenly interested in our efforts and coöperated with us in every way. "Japan had twenty-three vessels of 151,000 tons deadweight which we were able to charter. She also had, either completed or building, fifteen other vessels of 128,000 tons which we were able to purchase on condition of providing her with one ton of steel for each ton of ships so acquired. This steel had previously been purchased in the United States; but when our necessities arose its exportation

to Japan was prohibited by the War Trade Board. Prior to the war, Japan had purchased the bulk of her ship steel in England; when that source was no longer available, she had contracted for steel in the United States, but it was never delivered. By licensing this exportation, we were enabled to acquire the amount of newly constructed tonnage stated. Further than that, we entered into direct contract with the builders of Japan to construct thirty additional steel vessels, aggregating 245,000 tons deadweight, for which we agreed to provide steel in the ratio of one ton of steel for two tons of ships."[1]

For several years prior to our entrance into the World War, the question of preparedness was widely agitated throughout the country. Many sincere and earnest persons urged an extensive increase in our naval establishment, not a few going so far as to advocate the building of a navy at least equal to that of Great Britain. Others believed in devoting more attention to military training than previously had been given. Nearly all of these well-meaning persons seemingly gave scant consideration to the one absolute essential in preparation for national defense, namely, transportation.

I repeat: Germany never would have begun her ruthless submarine warfare, sinking vessels without trace, if the United States had possessed a substantial merchant marine. As it was, if we had possessed at the time of our declaration of war against Germany an army of 2,000,000 well-trained and well-officered men, all fully equipped and ready to embark for overseas, it would not have been possible for us to have transported them to France. We had no ships. While it is true that we might have embarked a limited number of men in British passenger ships, they would not have been

[1] New Merchant Marine. Pp. 89–90.

effective as a fighting organization unless we had also the cargo-ships to keep them supplied with food and munitions of war. Such we did not possess. The War Department never would have given its consent to the transportation of any considerable number of soldiers abroad until it received the assurance of the Shipping Board that cargo-ships would be delivered fast enough to keep each unit in France supplied with food and equipped with all requirements as rapidly as the soldiers were embarked.

Transportation by land, sea and air is an absolute necessity in any well-conceived plan of national defense. No army or navy, no matter how efficiently it may be equipped, can be effective unless there are adequate transportation facilities back of the line. It is claimed that Von Kluck lost the first battle of the Marne because he drove the French so hard and so fast before his advancing army that he became too widely separated from his base of supplies. His transportation facilities in the rear were not adequate to keep his soldiers equipped for fighting. In consequence, with the French pressing him, it became necessary to retreat.

Insufficient sea transportation facilities from Great Britain to Salonica before the submarine became a menace was chiefly responsible for the withdrawal of the British fleet and British soldiers from the Dardanelles and the failure of that campaign.

If Japan were to declare war upon the United States we could, without fear as to the ultimate outcome, withdraw every man-o'-war from the Pacific Coast to the Panama Canal, dismantle every gun and give the Japanese free access to every port from Seattle to San Diego for a period of six months. Disregarding vessels of 1000 tons or under, Japan's present fleet of 790 cargo-ships aggregating 2,754,000 tons, and 184 passenger ships of 773,000 tons, could not land and

maintain upon our West Coast a force of 100,000 men within that time. Her soldiers would starve except for such food as they would obtain by foraging. The distance from Japan to the West Coast—more than 4500 miles—is too great to permit the Japanese to keep any substantial force supplied with the necessities of war from her home base.

Likewise, in view of the transporation problem, it would be quite impracticable for the United States to wage successful warfare against Japan in Japanese territory—without a substantial merchant fleet. Ships would govern the outcome in either case.

CHAPTER XIII

EXERCISING "RIGHT OF ANGARY" TO SEIZE DUTCH SHIPS

In obtaining Dutch ships we encountered more difficulty with the government of the Netherlands than with that of any other nation. Following the plan we had adopted in dealing with European neutrals, we made a temporary agreement in January, 1918, in accordance with which certain supplies were to be placed at the disposal of the Dutch on condition that we could charter certain of their ships for a period not exceeding ninety days. About 460,000 deadweight tons of Dutch shipping were thus to be contracted for. When about 300,000 tons deadweight had been acquired, Holland found it impossible to carry out the agreement, chiefly because of pressure brought to bear by German interests at the instigation of the Kaiser's government. Such were our military needs that a crisis was precipitated—a crisis which could be met only by exercising what is known in international law as the "right of angary," by which a belligerent may requisition for military purposes foreign vessels within his territorial jurisdiction. The right could not be exercised by the Shipping Board and so we appealed to the President. On March 20, 1918, acting under authority of the Act of June 15, 1917, and in accordance with the principles of international law, the President issued a proclamation authorizing the Secretary of the Navy to take over all such Dutch vessels in our ports as the government required for military purposes. These vessels were to be manned, equipped and operated by the Navy Department and the Shipping Board. Later, it became our task on the Shipping Board to compensate the respective owners. Under the authority of the President's proclamation, the Navy Department took over

eighty-seven Dutch vessels of 533,746 deadweight tons lying in widely scattered ports of the United States, including Porto Rico and the Philippines.

Repairing and fitting out this enormous fleet, providing guns and gun crew quarters, unloading and warehousing the cargos (which could not be delivered at the ports for which they were destined) imposed additional burdens upon the Board and the Navy. When Dutch ships entered the service of the United States those vessels assigned for trans-Atlantic service were manned by the Navy Department and ships assigned for coastwise and South American service were manned by the Shipping Board. As a rule, commandeered ships were turned over by us to private corporations or to the Fleet Corporation, but the Shipping Board operated the Dutch ships in coastwise and South American trade.

Making provision for the Dutch crews was a source of much embarrassment. Nearly 3000 men had to be cared for—Dutch, Dutch Colonials and Chinese. Penniless for the most part, unable to understand English, they were indeed objects of pity. The Navy Department was mercifully authorized to inform the crews that they were the guests of the American people; that they would receive their wages until they were repatriated; and that their travelling expenses home would be paid. Since we had enough to do, the crews were placed in charge of the Bureau of Immigration of the Department of Labor, but the Shipping Board kept the men in funds by advancing them installments on their wages. When 1651 men were rushed to New York to catch the *New Amsterdam*, without stopping to pack or collect luggage, the Shipping Board defrayed the expense of renewing or paying for lost belongings. By July 3d all but three of the men desiring repatriation had sailed for home; these three men were ill and of course were maintained at our expense. The payment of the men's wages and of their compensation

for loss of employment involved a vast amount of parleying with the Consul General of the Netherlands, and the aid of our consular staff in Rotterdam. We even went so far as to assume insurance liabilities for Dutch crews in accordance with Dutch law.

How closely the President followed the work of the Shipping Board and the Fleet Corporation is proved by the interest he manifested in problems presented by the Dutch ships and their crews. When a statement of the expenses incurred in caring for the Dutch sailors was submitted to him, he sent a letter to me calling my attention to an accountant's error. I mention this fact to show that, although he delegated to the Shipping Board and the Fleet Corporation the vast powers conferred upon him by Congress, he never for a moment relinquished control of those whom he had made his agents. The public in general still regards President Wilson as an intellectual college professor more interested in ideals than in administrative details; but, as his analysis of our accounts of Dutch-crew expenses proved, he was a faithful steward of the American people, who could lay an unerring finger on mistakes made in a governmental department and who had much of the executive ability of a practical kind that we more commonly associate with industrial leaders.

CHAPTER XIV

"HURLEY, WE MUST GO THE LIMIT"

THE early months of the year 1918 will live vividly in my memory. The Allied and Associated Governments were informed of the fact that the Germans were preparing for their spring offensive. On March 21st the great Cambrai drive was launched, sometimes referred to historically as the second battle of the Somme. The attack was begun by heavy bombardment from guns of all calibre along a wide front, extending from a point east of Arras southward to the region of LaFere, a distance of nearly fifty miles.

The Cambrai drive will go down in history as one of the great military engagements of the world. After five hours of heavy shelling, the Germans hurled themselves in mass formation against the British front line trenches. For five days the slaughter continued. The British Fifth Army, commanded by General Sir Hubert Gough, sustained losses upwards of fifty thousand men, and whole divisions were practically wiped out. The Allied losses, which were chiefly British (including killed, wounded and captured), aggregated the staggering total of nearly 200,000 men, while more than a thousand cannon and hundreds of machine guns and other booty fell into the hands of the Germans. It has been estimated that during the five days' carnage, no less than ninety-seven German divisions were employed, comprising approximately one million, one hundred thousand (1,100,000) men.

At about the same time the German "Big Bertha" began dropping shells in Paris from a hidden position in St. Gobian forest, seventy-two miles away.

The German high command was flushed with the confidence of success. The Kaiser, in commenting upon

the battle, was quoted as saying: "The prize of victory must not and will not fail us—no soft peace, but one which corresponds with Germany's interest. We are at the decisive moment of the war, and one of the greatest moments of German history." Field Marshal Von Hindenburg declared: "God willing, we will overcome the enemy in the west and clear the way to a general peace." The Kaiser hastened to the front, accompanied by the Crown Prince, Von Hindenburg, Von Ludendorff and other prominent German officials.

Official reports from General Haig indicated that the position of the British was desperate. He declared that his back was against the wall. Along the entire front from Arras to LaFere the British had been forced to retreat, and at various points the Germans had succeeded in crossing the Somme.

In a cablegram to the American people, which was read by Lord Reading at a dinner of the Lotus Club in New York, Lloyd George, said: "We are at the crisis of the war. Attacked by an immense superiority of German troops, our army has been forced to retire. The retirement has been carried out methodically before the pressure of a steady succession of fresh German reserves which are suffering enormous losses. The situation is being faced with splendid courage and resolution. The dogged pluck of our troops has for the moment checked the ceaseless onrush of the enemy, and the French have now joined in the struggle. But this battle, the greatest and most momentous in the history of the world, is only just beginning. Throughout it the French and British are buoyed with the knowledge that the Great Republic of the West will neglect no effort which can hasten its troops and its ships to Europe. In war, time is vital. It is impossible to exaggerate the importance of getting American reinforcements across the Atlantic in the shortest possible space of time."

It is not easy, even now, to realize the depth of the

emotions aroused by Lloyd George's appeal and the condition which it disclosed. The possibilities which were involved not merely encompassed German victory, the defeat of France, England, Italy and even of America, but were fraught with the further danger that we Americans, who had so recently come into the war, might be called upon to bear the brunt of the burden of financial levies with which the Central Powers would seek to reimburse themselves for their costs and losses.

The situation was desperate. The Allies needed additional infantry at once, to fill up the gaps made by inroads of the Germans. There was grave danger that unless our soldiers could be supplied in vastly greater numbers than we had been sending them overseas, the war might result in a German victory before the United States could make its vast resources effective and muster its full strength on the battlefield. The immediate reinforcement of our Army in France was the prime necessity.

Apart from the danger of the submarine, there remained the still greater menaces of possible starvation, and of inadequate munitions-supply for the troops we should send to France. With the enemy passenger ships we had seized, and aid of British liners, we could transport a formidable army to France. But what was to become of that army after it had disembarked? It had to be fed and clothed; it had to be supplied with thousands of tons of shot and shell, railway equipment, timber and countless other accessories of modern warfare. Unless these were forthcoming, it would have been military madness to send troops abroad. Cargo-ships, was the one obvious answer—ships, and then *more* ships! General Peyton C. March, chief of staff, knew this. Like the prudent, far-seeing officer that he was, he refused to take any decisive action until the Shipping Board had committed itself definitely to a

program which would clearly indicate the amount of food and supplies we could transport, and when.

How could we guarantee deliveries, in the face of possible labor upheavals, and of congestion in factories and on railways, to which we looked for a steady stream of structural material? But guarantees had to be given, or General March would decline to assume responsibility for the consequences. Thus pressed, we submitted an estimate, which we felt confident we could fulfill. It provided for the transport of supplies sufficient to keep pace with a movement of 125,000 men per month—hardly enough to swing the decision in the critical months of 1918. March was prepared to send over at least 1,000,000 men—the smallest unit that Pershing would consider. His calculations were based on a troop movement of 250,000 men a month. The discrepancy between March's demands and my promises was enormous; both the President and March were dissatisfied.

The seriousness of this situation was impressed upon me by the President when he requested that a special survey be made of cargo-ships that could be furnished General March (Secretary Baker being in France at the time), for the transportation of food and material supplies for the increased number of troops to meet the pressing demands of the Allies.

"Hurley," he said, "with the success of the Germans in driving a wedge between the well-seasoned troops of the British and the French in the Cambrai sector, if by any chance they were to repeat their onslaught with a like result on our front and capture a hundred thousand or more of our soldiers, I dread to contemplate the feeling which would be produced in the minds of the American people. Unless we send over every man possible to support the Allies in their present desperate condition, a situation may develop which would require us to pay for the entire cost of the war to the Central Powers."

He sat gazing intently out of a window towards the green fields across the Potomac; but he did not see the beautiful landscape which lay before him. What he saw was a vision of the bloody battlefields of France! He was thinking intently and earnestly. I did not interrupt his meditation. When he turned toward me again his face was pale and his features were drawn. Calmly but firmly he said, "Hurley, we must go the limit."

With that command resounding in my ears, I promised General March to deliver ships, the keels for which would not be laid for several months. I believe that if the matter had been left to March and me, I would have been reluctant to make promises to deliver tonnage when I knew the possibility for fulfillment was questionable to say the least; but with my Chief commanding me to "go the limit" there was nothing to do but obey orders.

March had reduced the "pounds per man" to be carried across, from fifty to forty; then to thirty; and finally had tried to reassure me with the information (not cruelly, but kindly) that I might count upon a certain proportion of killed and wounded. Thus, I was made to realize that death was a factor in ship-building, on which we were supposed to reckon. Not being a trained soldier, I never could bring myself to think of our work in terms of blood and death. I thrust aside all thought of men dying in France and of thus benefiting by so many tons of steel shapes and so many million rivets! Wilson's "Hurley, we must go the limit" was more to my liking. Urged on by that command, I had a new survey made. March wanted an estimate of the new tonnage we would produce in April, May and June of 1918; and also up to December, 1918, as well as the deadweight of each ship to be delivered and full information about its type.

I called in Piez, who was responsible for ship production. We sweat blood over that second estimate.

We included ships of which the keels had not been laid —included what we were hoping to build, as well as what we actually could build. It was the kind of estimate which Piez as an engineer, and I as a practical manufacturer, never would have dared to submit to the board of directors of a private corporation. But there was no other way out. The safety of the world hung upon an estimate that largely tabulated mere hopes. Boiled down to its bones, here it is:

STEEL AND WOODEN VESSELS READY FOR SERVICE (1918)

(Contract and Requisitioned)

	Total Number of Vessels	Total Deadweight Tonnage
March	24	197,075
April	30	196,155
May	70	328,626
June	66	400,495
	190	1,122,351 [1]

My estimate, in which I had gone the "limit," was submitted in writing to General March in accordance with his request. Even then he would not accept it. First, it had to be passed upon by President Wilson. The President examined it, wrote across it, "Approved, W. W." and sent it to March. Then, and not until then, was March willing to act. And how he did act! Within six months 1,500,000 men arrived in France, and the horde of American soldiers was only beginning to pour in. They were crossing the ocean at the rate of 250,000 a month at one time, quite in accordance with his increased program of sixty divisions. The actual number sent abroad in July 1918 was over 300,000.

If the war had continued for another year we could

[1] The actual deliveries totalled 870,368 and therefore fell somewhat, but not grossly, short of those promised, as the following table shows:

March	162,200
April	162,805
May	258,941
June	286,422
Total	870,368

not have fed and supplied our soldiers in France. That it did not continue for another year was due to the fact that Woodrow Wilson gave the orders which, at the psychological moment, sent over the soldiers who turned the tide in favor of the Allied cause. It was his leadership which inspired men to undertake the seemingly impossible.

No doubt our procedure would be regarded as reckless in the extreme in time of peace. But what would have happened if I had not followed the President's admonition to "go the limit"? Suppose I had reported the cold truth—that there was no real prospect of supplying cargo carriers for more than 125,000 men a month, the number provided for in our first estimate? Suppose March had asked us to prove that we could build the ships listed in our estimate; or that he had cautiously waited until they were actually ready to steam across the Atlantic? The answer would have been defeat—the most colossal and humiliating defeat in history! As I shall show later, we could not have built cargo-ships fast enough to supply army divisions at the maximum rate that Pershing wanted.

Yet we were not cruelly playing a game of bluff. The ships that we did supply turned the tide. Victory came when American troops brought their pressure to bear; and those troops were entirely dependent on the ships that we were able to place at their disposal. The "will-to-win" triumphed over "it can't be done." Great chances were taken, but we won because we took them; and it was President Wilson who *made us take them.* Without detracting in the least from the great soldier, General Pershing, and his gallant men in the field, I am convinced that the country never has realized to what extent the war was won at home by President Wilson, Secretary Baker, General March, the Shipping Board and the Fleet Corporation, by taking the most desperate chances conceivable.

We did give General March the one million, one

hundred twenty-two thousand, three hundred fifty-one (1,122,351) deadweight tons of ships promised by the end of June, 1918. The actual deliveries amounted to one million, eighty-six thousand, four hundred fifty (1,086,450) deadweight tons, between January 1, and June 30, 1918; between March and June (the period of the estimate submitted to General March) 870,368; and by December, 1918, we had delivered three million, thirty thousand, four hundred and six (3,030,406) tons, represented by 533 ships.

To meet the emergency caused by the food and material requirements for the increased number of troops the War Department was sending over and which it was planning to increase still further, we were forced in September, 1918, to ask the British for one million two hundred thousand (1,200,000) tons of cargo-ships. Although it was a hardship for them to do so, they agreed to give us this amount of tonnage, with the understanding that it was to be reduced from month to month by two hundred thousand (200,000) tons, until February, 1919, when it all was to be returned to them.

WHAT THE GERMANS THOUGHT OF AMERICAN EFFORT

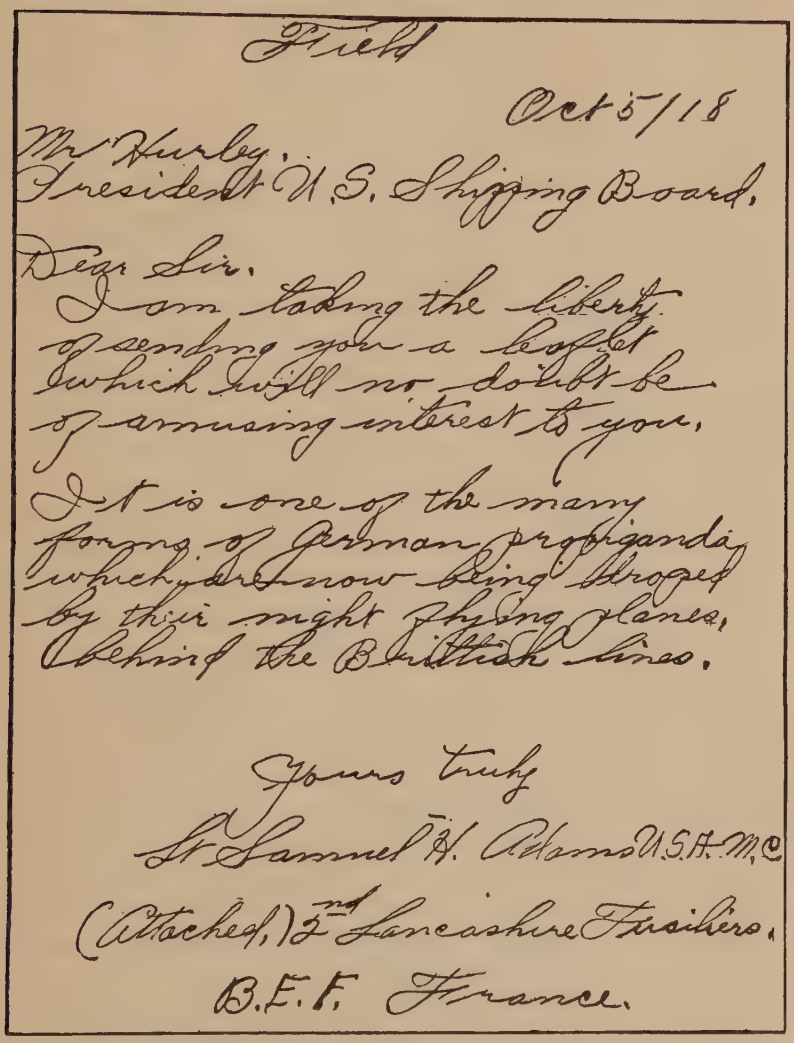
The Germans realized, as did Marshal Foch and our General Staff, the military and moral effect of a great American army in France. In a bulky report published in July, 1925, by a Reichstag committee appointed to determine the causes of the German collapse, unstinted praise is given the American effort. "Transporting and supplying American troops," it reads, "is dependent on ship tonnage." The Germans under-estimated our ship-building and ship-carrying capacity, even bearing in mind that about half of our men were carried across in foreign bottoms. The report continues: "Certainly the extraordinary increase in American troops transported since May (1918) was a surprise. During the first months we over-

estimated . . . The entrance of such large numbers of American troops was soon felt. The coming of American troops revived France's sunken spirits! According to French assertions, the sight of incoming Americans, mostly young and glowing with strength and health, worked miracles . . . Herein and in the massive reinforcements which the Americans brought at the critical moment, lies the significance of America's intervention. Our hope to bring about a decision through our 1918 offensive, before the Americans could come in with great forces, was unfulfilled. The Americans arrived then in such numbers that the ending of the war unfavorably to us was influenced by it."[2]

Thus our course of taking desperate chances, of building on hopes as well as in shipyards, receives its justification from German authority. In July the Allied commanders believed that the war would continue until 1919, but conditions changed. With 250,000 American soldiers landing in France monthly and Foch absolutely satisfied regarding the fighting qualities of our men, that great soldier decided to make a general attack on the entire front, thereby bringing the war to a successful conclusion in 1918. The Germans did their best to make propaganda-capital out of our success in providing ships. They dropped leaflets from airplanes behind the British lines, and pictured dire results that would follow the reëstablishment of the American Merchant Marine. A copy of one of these leaflets came into the hands of Lieut. Samuel H. Adams, U.S.A.M.C., attached to the Second Lancashire Fusiliers, B.E.F. Lieutenant Adams had a sense of the ridiculous and evidently had been following the development of our ship-building program. I never have had the pleasure of meeting this young officer, but I take occasion here to express publicly my appreciation of his kindness and thoughtfulness in sending me this bit of German

[2] Cabled translation in the *New York Times*, July 27, 1925.

propaganda. As he predicted in his letter, I found it a source of "amusing interest." The letter follows:



Field

Oct 5/18

Mr Hurley,
President U.S. Shipping Board.

Dear Sir.
I am taking the liberty of sending you a leaflet which I will no doubt be of amusing interest to you.

It is one of the many forms of German propaganda which are now being dropped by their night flying planes, behind the British lines.

Yours truly
Lt Samuel H. Adams U.S.N.R.F.
(Attached,) 2nd Lancashire Fusiliers,
B.E.F. France.

This was one of the interesting and striking evidences which came to us that the Germans were being kept well advised of our progress in ship-building.

Propaganda of this character showed the alarm they must have felt when the knowledge was brought home to them that America was providing the cargo-ships necessary to maintain a vast army of soldiers in France, for an indefinite period. They, too, realized that ships would win the war—American ships—and that the rapidity with which they were being built spelled disaster to the German cause. Hence, their effort to arouse a feeling among the British that America's ship-building progress would mean the end of British supremacy upon the seas and that the best way to avert this was to "come to an understanding with Germany."

It must not be assumed that the Board had to consider merely how we were to provide the 1,122,351 deadweight tons of ships we had promised to deliver by June, 1918, and those which were to be ready by December, 1918. By the autumn of 1917, the Army had received from us 688,714 deadweight tons of commandeered ships. In addition, 162,200 deadweight tons of ex-German ships were being repaired. The Navy wanted 180,000 deadweight tons of tankers and 426,000 tons of supply ships, a total of 606,000 deadweight tons. Moreover, we had to import essential raw materials for our manufacturers—chrome ore, nitrates, pyrites, sugar, wool, hemp, coffee, and the like, all calling for 1,750,000 deadweight tons. France, Italy, Belgium and Russia also were clamoring for ships—300 of them aggregating 1,900,000 deadweight tons—to carry materials they needed to maintain both their fighting forces and their civilian populations. On March 13, 1918, the Allied Transport Council found that there would be a deficit in the supply program of the three European Allies amounting to some 10,000,000 tons of imports or 2,000,000 deadweight tons of shipping, excluding any additional neutral or American tonnage; and had reached the conclusion "that no

Planning to bring the British Empire to its knees, 1918

The American Peril.

Have you read the Liverpool Journal of Commerce of July 20-th? Well, this paper publishes a leader under the alarming heading: "our desperate position", the following extract of which will interest you: "Commercially our position is desperate. There is no doubt about it. It is perfectly plain that, unless something unexpected happens, we shall sink into the position of a second-rate Power. The blame for it is on the present and past governments, who have ignored, and are still flouting, the commercial community and its interests. Government officials, when the matter is put before them, will nearly always end up by saying something of this nature: "Well, after all, our first business is to win the war, is it not?" It is the business of the War Office and the Admiralty to bring the war to a satisfactory conclusion as soon as possible, but it is not legitimately within their province to hamper commerce, with results they do not foresee, but which are ruining our chances of retaining our overseas trade. The Americans are after it. Read the report of the speech of Mr. Hurley in the issue of July 15-th. He does not veil his proposals. America is building her vast mercantile marine—first, to transport troops and materials for the war, and then to attack our trade in China, the East, our Colonies, Russia, and South America, and doubtless other places. Her new lines of steamers are already running to ports where the trade was fostered by us and is by every right ours. All this is brought about by the supineness and crass stupidity of our ministers and their nominees, to whom we pay princely salaries, and who are giving us away. Does Mr. Lloyd George see that we are going to te wall? It is doubtful. What is the use of winning the war at the expense of our commerce, and so that the Americans collar it? Are we to be content with an "entrepot" trade, our manufactures killed by America; and shall our living be "taking in each other's washing?" for that is all we shall have left unless there is an alteration immediately. It will be surprising if our people stand it much longer."

So far the Journal of Commerce. It hits the mark. Isn't it foolish to stay in this war for the sole benefit of the United States? It is plain that America won't be satisfied with Germany's downfall but actually aims at controlling the world's commerce. She points at Germany but is ready to incidentally ruin England too, in fact, she prepares to suck the marrow out of the whole of Europe. World-domination, that's what America is after! An exhausted and empoverished Europe will make the United States the ruler of the world. At any rate, after the war, America will be the most powerful and pitiless competitor England ever had.

Therefore, come to an understanding with Germany before it is too late. Only the United States have something to gain by continuing the war.

reduction can be made without results which will be disastrous to the prosecution of the war."

Our ship-building program was based upon the Army's requirements, but what these were at any given time it was impossible even for the best-informed military authority to determine. As fast as we framed programs we tore them up because of new demands from the front. I found it extremely difficult to obtain trustworthy estimates; yet, without them we could not know what was expected of us. The Army gave us all the aid it could, but the situation on the European fighting fronts constantly was changing. The call for men and supplies of to-day often was cancelled to-morrow and another estimate substituted for it.[3]

IF WAR HAD LASTED UNTIL AUGUST, 1919

By the end of June, 1918, we had nearly fulfilled our first promise to the War Department. Excellent as this performance was, we never were able thereafter to keep up with the constantly enlarging army demands. On July 11, 1918, General March ordered the Chief of Army Transportation Service to make a careful survey of tonnage then available and under construction, as it affected American military operations abroad from July 1, 1918, to July 31, 1919. Three programs were considered:

(*a*) A sixty-division program, giving a total strength of the American Expeditionary Force by July 31, 1919, of 2,500,000.

(*b*) An eighty-division program, giving a total strength of the American Expeditionary Force by July 31, 1919, of 3,355,000.

(*c*) A one hundred-division program, giving a total

[3] The military program of 1917 provided for the gradual transportation to France of an army which would amount to one million men all told by the end of 1918. Allied Shipping Control, Salter, p. 174.

strength of the American Expeditionary Force by July 31, 1919, of 4,260,000.

Somewhat more than 2,000,000 men were in France when the armistice was signed in November, 1918.[4] The maintenance of an army of two and one-half million men, on the basis of thirty pounds per man per day, with a turn-around of cargo-ships of seventy-five days, would have required about 5,000,000 deadweight tons of shipping. I believe we could have provided this deadweight tonnage. As a matter of fact, after the signing of the armistice when all overtime work was stopped, men were laid off and contracts cancelled, our total delivery by April, 1919, of contract-steel, Japanese-built and wooden ships was in excess of 4,500,000 deadweight tons. Our record therefore proved that the Shipping Board would have built cargo-carriers enough to have complied with the demands of the sixty-division program.

But what of the eighty-division program? Hog Island, with fifty ways for 7500-ton vessels; Submarine Boat Corporation, at Newark Bay, with twenty-eight ways for 5000-ton ships; The Bristol yard, with twelve ways for 9000-ton ships; The Federal Yards, with twelve ways for 9600-ton cargo-carriers, and the Southwestern Shipbuilding Company, with six ways for 8800-ton ships, all would have been producing at full capacity in 1919. When the armistice came all these yards had keels on their ways; and their organizations were complete and acquiring skill. The older yards likewise were increasing their outputs. Would the Fleet Corporation have been able to provide ships enough by July 31, 1919, to maintain the 3,355,000 men of the eighty-division program and the 4,260,000 men of the one-hundred-division program? In all probability we

[4] The military program of 1917 provided for the gradual transportation to France of an army which would amount to one million men all told by the end of 1918. Allied Shipping Control, Salter, p. 174.

could have counted on 500,000 deadweight tons per month during the last half of 1919. We probably would have failed to meet the War Department's eighty-division program during the first half of 1919, but I believe that after June of that year we could have delivered enough ships to meet its requirements. The carrying out of the eighty-division program was within the bounds of possibility, although not on schedule time. The one-hundred-division program would have swamped us hopelessly! We never could have caught up with the arrears of 1918 and 1919.

The following table, from the Report of the Chief of Transportation Service of the Army (1919) compares the three programs and shows that we always were in arrears so far as cargo tonnage was concerned:

Month	Additional cargo capacity required (Deadweight tons)		
1918	A	B	C
July	1,202,000	1,202,000	1,202,000
August	1,091,755	1,217,755	1,343,000
September ...	996,384	1,185,384	1,437,384
October	849,984	1,117,734	1,511,484
November	613,449	859,949	1,511,199
December	313,899	731,274	1,510,899
1919			
January	8,766	497,016	1,363,265
February	.....	209,641	1,162,516
March	.....	.....	1,103,516
April	.....	.....	1,044,516
May	.....	.....	885,516
June	.....	.....	726,516
July	.....	.....	567,516

The Army adopted the eighty-division program. Although General Hines, in his report as Chief of Transportation (1919), expressed his confidence in our ability to carry through our cargo-ship program and therefore reinforce my own conclusion on that score,

the following table which he prepared shows how far cargo shipments lagged behind requirements:

Month	Cargo required for the eighty-division program	Cargo actually called for by A. E. F.	Cargo actually shipped
1918	Short tons	Short tons	Short tons
July	772,000	430,746	535,618
August	844,000	750,527	572,037
September	916,000	887,968	683,943
October	1,001,500	1,021,000	745,299
November	1,082,500	1,131,000	823,382

It is apparent, from all the facts, that there was always a cargo-tonnage deficit after July, 1918, a deficit largely accounted for by General Pershing's requirement of 250,000 tons a month of construction material.[5] The startling conclusion must be drawn that the longer the war lasted and the more the one-hundred-division program (C) became necessary, the more impossible it would have been to supply cargo tonnage to feed our constantly increasing army abroad and to supply it with the munitions of war. If the one-hundred-division program had been carried out a cargo deficit of approximately a million and a half deadweight tons would have been faced from August, 1918, to January, 1919. "At no time before July 31, 1919, was the American tonnage sufficient to meet all needs."[6] So disturbing was the thought that the war might be lost for lack of cargo-ships, that the Army began to cast about for sources of additional tonnage. About 2,600,000 deadweight tons were engaged in the nitrate, manganese, chrome, sulphur, New England coal and other trades, all considered essential. It was suggested that we withdraw some of the ships engaged in these trades and thus increase the cargo-fleet plying between France and America; but most of such ships were not suitable for trans-Atlantic war service.

[5] Subsequently reduced to 150,000 tons, which reduction made it possible to carry out "program A."

[6] Report of Chief of Transportation Service, 1919, p. 77.

Then, too, there was the difficulty of speedily unloading ships at French ports. To have met even the minimum program satisfactorily by January 1, 1919, it would have been necessary to discharge cargos at twice the highest daily average attained at any time in 1918; and for the maximum program the rate of discharge should have been 2.7 times the highest daily average made in 1918. It was not wholly a question of better equipment and better organization, more rolling stock and larger warehouses (much as all these would have helped) but of shallow channels, cramped approaches to berths and narrow pier space, of limitations that could not easily be overcome. In carrying out the one-hundred-division military program, idle ships would have accumulated at the rate of tens of thousands of tons a month. The flow of material to France would have been checked and our industries would have been thrown out of gear.

The signing of the armistice on November 11, 1918, left the great cargo program of the Fleet Corporation uncompleted. The eighty-division program contemplated increased monthly shipments, by July, 1919, to 1,759,750 short tons of cargo. Actually, 823,000 tons were reached in November, 1918, "with the real test of the supply bureaus and the French ports ahead."[7]

In view of the deficit in cargo-carriers with which the Army constantly was confronted during the latter half of 1918, of the difficulty of improving French ports so that ships could be unloaded speedily, and of the enormity of the task imposed upon our supply bureaus, we would not have been able to carry out the one-hundred-division program by July 31, 1919. There never were enough ships for any of the specified programs while the war lasted, although at the end we had somewhat more than 2,000,000 men in France. That the war was brought to a successful conclusion in nineteen months after America entered it, shows that it

[7] Report of Chief of Transportation Service, 1919, p. 87.

paid to take the desperate chances that the President, the War Department and the Shipping Board had taken. Never for a moment did General March slow up the troop movement once begun. By enabling General Pershing to throw enough Americans into the battle line at a crucial period, President Wilson, Secretary Baker and General March rendered a signal service in bringing the war to a speedy close. Upon the Shipping Board and the Fleet Corporation the War Department threw the responsibility of keeping production of cargo-ships apace with its troop movement. We accepted that responsibility, and by doing so we also took chances. The war was won, despite the fact that we could not build ships fast enough to feed eighty or one hundred divisions. It was won because we cherished the high hope that we could build them; won because we were willing to try to build them, rather than to throw up our hands in despair. We had to make the effort or go down in history branded as something worse than human failures—as cowards, afraid to take a chance in time of war.

CHAPTER XV

SCHWAB APPOINTED DIRECTOR-GENERAL

At the end of the first year of America's participation in the war, the undertakings of the Shipping Board and the Fleet Corporation had grown to such proportions and required such further extensions and expansion of effort that if we were to approximate the demands made upon us and fulfill in a measure the promises I had made to the President, I felt justified in reaching out and "commandeering" the services of the foremost executives available. In my opinion there was no business man in the country too big, or one whose personal interests were too great, to be drafted for the emergency.

The first man to whom my mind turned in this connection was Mr. Henry Ford. I desired to surround myself with industrial leaders capable of appreciating the gravity and the magnitude of the task confronting us, and I knew that Ford was very anxious to serve. He was at that time, as I subsequently learned, working in seclusion on the Liberty Motor. I did not know where to find him, so I wrote a letter to Mr. Thomas A. Edison, believing that I would reach him through his fellow inventor. Edison's reply was characteristic:

It developed that Ford was deeply engrossed in building Eagle submarine chasers and Liberty Motors, a work that he wisely considered to be just as essential as laying down new shipyards and keels.

At the suggestion of Colby, I next considered Mr. Charles M. Schwab, almost equally known to the country as an executive and organizer. The thought that I should be in the shipyards so haunted me that I decided to make an effort to enlist Schwab for executive shipyard service. I sent him a telegram, saying

-Hurley-

You ask, Where is Ford- Let me explain!

He is an Inventor. Inventors must be poets so they may have imagination, To be commercially successful - they must have the practicability of an Irish contractors Foreman and a Jewish broker.

These wild children of nature, neccessarily are a puzzle to a Captain of Industry like yourself. Dont try to understand them - Get Ford in somehow with the happy shipping board to help. i

Your trouble will be to get him started At present he is pushing Liberty Motors

Edison

that there was an important matter I wished to discuss with him, and asking if he could arrange to come to Washington for an interview. That was on a Thursday. He promptly replied that he would be in my office on the following Sunday morning.

Three besides Schwab and me were present at that conference. They were Bainbridge Colby, Charles Piez and Thomas F. Logan. I explained to Schwab, almost at the very moment when he came into the room, that we had drafted him for the duration of the war. He had walked eight flights of stairs to get there, as the elevator was out of commission on Sunday morning. He threw up his hands, urging that he was already in the trenches at the Bethlehem Steel plant, engaged in directing war work that he could not possibly leave to others; and, as he thought, clinched his argument with the remark that the President would not view his accession to the Shipping Board forces with sympathy because of a contribution of $100,000 reported to have been made by him to the Hughes campaign fund. I knew the President was too liberal-minded to permit a political contribution to influence him, and so told Schwab. "We are at war now," I said. "We are not playing politics. We need you. I will not take 'no' for an answer."

Colby and Logan reinforced my statement with arguments of their own.

I fully conceded the relative importance of various branches of war activity; but pointed out that, while several agencies were working under the slogans "food will win the war," "coal will win the war," etc., there was little prospect of stopping the Germans unless America was able to furnish cargo-ships to transport food for an army of millions of men. Finally, Schwab said that his own opinions made very little difference to him; that he believed it was not for any man to say what his war work should be, but that the Government itself should dictate. "I have told you the work that

I am doing now," he said, "and if you feel that I can do more for the country with the Shipping Board, I guess I will have to come." He asked for forty-eight hours' time, in which to talk it over with his associates.

I conferred with a number of my friends, some of whom were members of the Cabinet. Having less faith than I cherished in President Wilson's liberality towards political opponents, some expressed their misgivings and doubted he would welcome the proposal of enlisting Schwab as a ship-builder. Others of those whom I consulted even thought that the whole Shipping Board would revolve around Schwab, and that I would then be relegated to a subordinate position—a consideration which weighed nothing with me. I made an appointment to consult the President on the following Monday evening and asked Colby to accompany me. I informed the President of our need. We had a complete organization; but we had to strengthen it, to convince the people that we were doing all in our power to build ships. Schwab must be drafted, and the people unquestionably would endorse his appointment. The President listened attentively. As I had foreseen, he did not hesitate long. "Hurley," he said, "I have a cousin who lives in Pennsylvania and who comes to see me occasionally. He rarely misses an opportunity to mention Mr. Schwab. In fact, he calls him 'Charlie.' Except for the usual prejudices I guess we all have against men who are recommended by our relatives, I have absolutely nothing against Mr. Schwab. Go ahead and appoint him." Not a word about Schwab's one hundred thousand dollar campaign contribution to the Republican party, nor about Schwab's political beliefs. I asked the President for permission to bring Schwab to the White House after the Cabinet Meeting on the following day. "Bring him along. I shall be glad to see him," was the answer.

Schwab arrived Tuesday morning and agreed to

accept any appointment that we might give him. After luncheon, Colby and I took him to the White House. The President greeted Schwab cordially and observed that he would fit well into our organization, but did not discuss even what Schwab was to do for us.

Like a good soldier, Schwab asked no questions as to what was expected of him. He came with us on April 16, 1918, with the title of "Director-General of the Emergency Fleet Corporation." The announcement that Schwab was to join the Shipping Board organization was prepared in his presence and was approved by him at once. It was given out by Tumulty as coming from the White House, to give more force to Schwab's appointment. I felt that it would have a stimulating effect not only on the American people but on our Allies as well—and a disheartening effect on the Germans who were stoutly asserting that we never could build ships fast enough to win the war.

Schwab went to Hog Island on a Sunday shortly after his appointment and delivered an address before some 10,000 workmen. He made a wonderful speech, arousing the enthusiasm of the crowd to the highest pitch. In conclusion, he insisted that I say a few words. I did, and I think my talk had a soothing effect in allaying any possible feeling of jealousy that might have been encouraged by our respective friends. I said, in part:

> I think you will agree with me that no mistake was made when Mr. Schwab came to the Emergency Fleet Corporation, as Director-General. You may recall that President Lincoln said at one time referring to one of his Generals, that if he could help to win the war he was willing to hold his horse.
>
> If Charles M. Schwab can build these ships—as I know he can—and I can help him by it, I am willing to hold Schwab's horse.

It was quite unnecessary to proceed in the formal way I did, in appointing a desirable man like Schwab

to our organization. I had full authority, as Chairman of the Board and President of the Fleet Corporation, to make any appointment that I deemed necessary in public interest. My colleagues always approved my appointments. I appointed Piez as Vice-president and General Manager of the Fleet Corporation and P. A. S. Franklin as Chairman of the Ship Control Committee without obtaining the President's permission. The case of Schwab was different. It had been reported that he was one of the chief financial supporters of Mr. Hughes in the presidential campaign; and I wished to silence the suspicion that the President harbored any resentment against him on that account. Furthermore, I wanted to dramatize the appointment by having it openly endorsed by the President.

Schwab stayed with the Fleet Corporation about seven months, and the fine spirit that he put into his work during that period was a source of inspiration to the whole organization. Recognized throughout the country as a leader of men, he showed clearly that his right to leadership was based upon a gift for teamwork. I frequently would ask Schwab not to refer to me as his "boss," as he persisted in doing continually in his talks to employees and to the workers in the shipyards. No man I ever have known required less bossing than Schwab. One of the pleasures that I have found in writing this book is in paying to Schwab the tribute he deserves for his unselfish service to the Nation in the time of its need. To summarize Schwab's patriotic contribution toward helping to win the war, I hardly can do better than to quote his own words addressed to the Select Committee on Shipping Board Matters, of the House of Representatives:

> I did not regard the ship-building policy at that time as one of engineering, in the sense that machinery and works were more the essential features. I regarded as the essential feature in producing ships the enthusing of the working people

To Edward. N. Hurley.
My "Old Chief" and esteemed Friend
With sincere regard and appreciation.

Jan 31st 1921. C M Schwab.

CHARLES M. SCHWAB

DIRECTOR-GENERAL OF THE EMERGENCY FLEET CORPORATION—APRIL 16 TO DECEMBER 3, 1918.

of the United States, on whom results depended—making them realize the importance of what they were doing in conjunction with the men in the trenches, and heightening their efficiency. This I called human engineering, and I proceeded with the policy of practicing that kind of engineering.[1]

Schwab thus indicated that he was in full accord with our ship-building policy and program, and that his chief contribution was that of firing the imagination of shipyard workers.

HANDLING FINANCES OF SHIPPING BOARD AND EMERGENCY FLEET CORPORATION

I was very anxious to have a nationally known man as Vice-president of the Fleet Corporation, to handle the fiscal matters of both the Fleet Corporation and the Shipping Board, one accustomed to dealing in large financial transactions and who could visualize our "three billion dollar" problem. After a careful survey, I decided that Mr. Nicholas J. Brady of New York, a leading national figure in the public utility field, would be an ideal man. I discussed the subject with the President and McAdoo. They were most favorable.

Accordingly I wired Mr. Brady requesting that he accept the post. Unfortunately, circumstances which he could not well control obliged him to decline the offer. However, we were successful in obtaining the services of Mr. George T. Smith, and he became treasurer of the Fleet Corporation. The disbursements of the Shipping Board and the Fleet Corporation frequently exceeded twenty million dollars per week. Smith was ably assisted in his work of handling our finances by Mr. Richard Wilmer Bolling, in the capacity of assistant treasurer. Bolling brought to the organization not only a comprehensive knowledge of methods necessary to be employed in systematizing so large an undertaking, but also a spirit of enthusiasm and will-

[1] Hearings before Select Committee on U. S. Shipping Board Operations. House of Representatives, 66th Congress, 3d Session, p. 4556.

ingness to perform all the duties that devolved upon him. Bolling also acted as disbursing officer for the Shipping Division of the Peace Commission in Paris. Associated with Smith, as comptroller, was John J. Nevin, an experienced accountant and attorney, who rendered valuable service.

During the twelve months since the organization of the Shipping Board and the Fleet Corporation, their combined operations had developed to such a magnitude that the executive offices of the two bodies were housed in no less than twenty-three widely scattered buildings in Washington. Owing to increasing demands of the Government for office facilities, which the capital city could not adequately provide, it had become impossible to centre all of our work under one roof. Indeed, it was practically impossible to extend our office facilities in any particular. In competition with other governmental departments and bureaus, we had well-nigh exhausted all of the available office space in Washington. Still, it was apparent that our needs would continue to increase. Here was a new problem.

In solving it, we decided to move the Fleet Corporation to Philadelphia, where we could establish at least a major part of its more important divisions in a large, modern and centrally-located office building. Director-General Schwab and Vice-president Piez recommended the proposal.

The point was made that it would be the part of wisdom to bring the directing and guiding hand of the construction program in close touch with the actual work of building ships. Nearly 50 per cent. of the entire construction work was being carried on within a radius of less than 100 miles from Philadelphia. For this reason it was expedient to establish there the principal offices of the Fleet Corporation's director. Piez also believed that the removal would make possible a more speedy solution of all practical problems as they might

arise, because it would enable high executives to visit more frequently the large shipyards and keep in closer personal touch with the progress of the work. Moreover, greater facilities for housing employees were afforded in Philadelphia than in Washington. In the latter city, conditions had about reached the limit of possibility; and while Philadelphia was crowded, more space was available there for absorbing a few thousand additional government employees than in Washington. At that time the number of persons engaged in executive and clerical capacities for the Fleet Corporation approximated 2400. Many advantages favored the decision to establish the main office in Philadelphia. The removal of the Corporation and the transfer of its employees, without serious or prolonged interference with the work, was in itself a remarkable demonstration of efficiency. It entailed the transportation of not only the personnel and office equipment, but also a vast quantity of household furniture for accommodation of the employees. The bulk of this material was transported by trucks supplied by the Quartermaster's Department. More than 200 loads were carried in less than two weeks.

DECENTRALIZATION OF CONTROL

When it had become apparent that with the expansion of the war building program the Fleet Corporation would have to assume direct control of the yards, an organization had to be created which was quite different from the one we originally contemplated. It had to function as designer of plants, as naval architect and engineer, purveyor of material, ameliorator of strikes, as banker and general manager. Many yards had become converters (into ships) of the material supplied. This change in the functions of the Corporation threw a tremendous load on the central management, and called for a scheme of decentralization.

It was decided to divide the duties into those pertaining to ship and plant construction and those pertaining to finance and administration. Mr. Howard Coonley was elected Vice-president of the Fleet Corporation and on May 1, 1918, took charge of finance and administration. Coonley was a most efficient executive. He sensed well his special duties and performed them with marked ability. Technical details of ship construction and the direction of the work were put in the hands of Commander J. L. Ackerson, U.S.N. On August 10, 1918, Ackerson was elected Vice-president, and appointed Assistant General Manager of the Fleet Corporation. Because of his resourcefulness and energy as well as his broad experience in naval construction, he was of great value to us. The control of all the various functions in each district was placed in the hands of a district manager. As the representative of Vice-president Piez, he exercised locally in the respective districts the same authority that Piez wielded more generally. The number of the districts was reduced from eleven to eight. Decentralization aided materially in the expedition and dispatch of affairs, particularly as the lines of direct communication were preserved between the sub-heads of the district and corresponding division heads at the Home-office. The success of this scheme was due to the competency of the men comprising district personnel. Among them was William Pigott, a steel manufacturer of Seattle, who ably represented the Fleet Corporation on the Pacific Coast.

During the first few weeks after his appointment as Director-General of the Fleet Corporation, Schwab visited most of the important shipyards on the Atlantic Coast, for the purpose of getting first-hand information regarding conditions and requirements, as well as to give encouragement not only to plant owners but to

thousands of employees in the yards. His personality was most inspiring and was capable of arousing enthusiasm among the workers and inducing them to speed-up production.

Shortly after the armistice, Sir Thomas L. Devitt, Chairman of the Board of Lloyds, tendered to me a luncheon in London, to meet the leaders in British shipping. Those present, about fifty in all, included: Sir Joseph Maclay, the British Minister of Shipping, whose post corresponded with mine; Lord Pirrie, who held a position similar to that held by Schwab; Lord Inchcape, Sir Frederick W. Lewis, Lord Furness, Sir Alfred Booth, Sir John Ellerman, Lord Inberclyde and Mr. J. R. Gordon, a prominent American shipping man. I felt pleased and honored to come in contact with so distinguished a group of men. They were much interested in what our shipping policy would be, and in what disposal we later would make of tonnage built during the war. They were especially concerned to know whether or not this tonnage was to remain government-owned and operated; and also what my attitude was toward government ownership and private ownership. After the luncheon, Sir Thomas spoke of me in a most complimentary manner, giving me more credit for what had been done in providing ships than I deemed was my just due. In my reply, I stated that in talking to Sir Joseph, during the luncheon, we had agreed that if any persons were entitled to credit for what had been accomplished such credit should be accorded to our associates. This was my disposition in the matter, and while I had not actually discussed the subject with him, I had taken it for granted that he felt the same as I did.

Lord Pirrie was the next speaker. Somewhat to my embarrassment, he said that the part of my address wherein I had said that Sir Joseph and I had agreed

that our associates were responsible for what had been accomplished was a bit surprising to him. He was very glad, however, to hear it from Sir Joseph, even at that late date. Subsequently I learned that Lord Pirrie, who did excellent work but who evidently was very sensitive, entertained some feeling toward Sir Joseph's policy not to bestow praise on his associates until they had accomplished what he expected of them. I then resolved that in the future I would express my own sentiments and convictions only, and not attempt to voice the opinions of others. The incident demonstrated to me, however, that the British are quite as human as we are in respect of personal sensitiveness.

SIR JOSEPH (NOW LORD) MACLAY, SHIPPING CONTROLLER OF GREAT BRITAIN DURING THE WAR, A DISTINGUISHED BRITISHER WHO HEARTILY CO-OPERATED WITH US.

CHAPTER XVI

APPEALING TO WORKERS AND THE PUBLIC

VERY able and distinguished men, including Judge John Barton Payne, Admiral W. S. Benson, Mr. Albert D. Lasker and Mr. T. V. O'Connor, successively held the position of Chairman of the Shipping Board after my resignation. While he was still quite new to the job, and doubtless without reflection or intent to have his statement accepted literally, Mr. Lasker declared that the War Shipping Board had built only one ship. Some time after Lasker had resigned from the Shipping Board, I met him on the "Twentieth Century" train. We were very good friends, and naturally talked about our ship-building experiences. In the course of our conversation he asked how it happened that I got along so well with the newspaper men and members of Congress, and commented that they had been most friendly to me. He wanted to know, particularly, how it was that I succeeded with the Committee on Appropriations which provided funds for the Shipping Board. I told him that the first time I appeared before the Committee it gave me one billion three hundred million dollars ($1,300,000,000) after a hearing of about forty minutes.

"For heaven's sake," he asked, "what did you do with the money?"

"Why," I answered, "I built that one ship which you told the public the Shipping Board turned out during the war."

As a matter of fact, the Shipping Board built and delivered, in the year 1918, five hundred and thirty-three (533) ships, a total of three million thirty thousand four hundred and six (3,030,406) tons; and in 1919, we built and delivered one thousand one hundred and eighty (1180) ships, aggregating six million three

hundred seventy-nine thousand eight hundred twenty-three (6,379,823) tons.

The enormousness of the task which the Shipping Board assumed at the outset of the war, and carried on up to the time of the armistice, never has been visualized by the American people. In view of the rapidity with which events transpired, the attention of the public necessarily was directed toward the battlefields in France. Hence, the multitude of details of the preparation back of the line, in which the Shipping Board was engaged, could not be comprehended by the public. With the advent of peace, and a knowledge of the expenditures of such huge sums of money as the Shipping Board and Fleet Corporation were obliged to disburse, efforts were not infrequently made to belittle their achievements.[1]

[1] I retired from the Shipping Board on July 31, 1919, and was succeeded by Judge John Barton Payne, who in the early days of our organization had served as general counsel. He was subsequently made Secretary of the Interior. Judge Payne was conscious of my promise to build six million tons of ships in a year, and four months after my retirement he sent me the following letter showing that the promise had been made good:

UNITED STATES SHIPPING BOARD
Washington, D. C.

Dear Mr. Hurley: December 10, 1919.

Those skeptics who thought you were extravagant in stating you would build six million tonnage this year should be advised of the following results:

Deliveries from January 1 to December 1, 1919, are:

Steel	4,472,000
Wood	1,298,000
Composite	42,000
Concrete	6,500
Total	5,818,500

By January 1, 1920, the six million tons will be exceeded.

Very truly yours
(Signed) JOHN BARTON PAYNE,
Chairman.

We actually built and delivered in 1919, six million three hundred seventy-nine thousand eight hundred twenty-three (6,379,823) tons of shipping represented by 1180 vessels. This construction was accomplished under peace conditions and without overtime or the exertion of the high pressure which prevailed during the war. It confirmed my previous prediction that when our organization should be completed it would function so effectively as to enable us to build at least six million and possibly nine million tons in one year.

Ship-building was so essential to the winning of the war, so dependent on the morale of the workers and of the public itself, that it became desirable to organize an extensive service which would spread the news of our progress in every plant and throughout the country. To this end we established a Publication Section of the Emergency Fleet Corporation, headed by Robert D. Heinl, an experienced journalist. I sent to New York, Mr. Frank B. Lord, a veteran newspaper man and one of my chief assistants, to get the best newspaper man he could find for the Shipping Board Publicity Bureau. He returned with Mr. W. S. Meriwether, then Marine Editor of the *New York World*. Meriwether had been in the Navy as a boy and knew ships and shipping from an international viewpoint. Completely ignoring the time-honored publicity practices followed by various governmental bureaus, Meriwether worked out a successful plan to insure publication in the leading newspapers of articles on our work. He knew that editors wanted "exclusive features," and that stories which any one was at liberty to publish would not particularly interest them. Meriwether obtained an immense amount of publicity by heading his subjects: "Released exclusively to you, in your city. Our next feature will be to the——." His work was most effective in educating the public to the need of ships. He was ably assisted by Mr. Stuart C. Blythe.

Another man who did remarkable work, as assistant to the Chairman, was Mr. James H. Collins, well known as a contributor to the *Saturday Evening Post* and other periodicals. It is the usual practice of publicity experts to scatter their articles to the four winds in the hope that they will alight on some pages of newspaper or magazine, where they will produce the desired effect. Collins proceeded differently. He *sold* his articles, reasoning that any product that is offered for sale is regarded more highly than a gift. The pro-

ceeds he donated to the Red Cross. Each article became the exclusive property of the publication that bought it.

I took the newspaper men into my confidence at the very outset. To me they were soldiers. Their sole objective was to help win the war, and they were essential to the success of the Shipping Board and Fleet Corporation. Without their hearty coöperation I would have had a most trying time; but through them I could tell the country what we were doing and how we were progressing. The newspapers of the country gave us unlimited space; and they certainly did their "bit" in telling to the American people the importance of ships if we were to win the war.

It was partly my aim to give the public, through the press, facts regarding our progress in building shipyards and ships, with the hope that it would seriously affect the morale of our enemies. To this end I met the Washington correspondents at four-thirty o'clock every day. My relations with these newspaper men are among my most pleasant memories. Our talks were as frank and informal as though we all had been friends of life-long standing. Many of the newspaper men called me not "Mr. Chairman," or "Mr. Hurley," but "Chief." I had such confidence in them that I did not hesitate to answer fully and honestly their most searching questions, even in circumstances when I had to admit that I had made a mistake. Never was this confidence abused. Indeed, the veterans among the correspondents apparently would settle among themselves just what should and what should not be published in the public interest. Sometimes it happened that an overenthusiastic cub reporter, desiring to make the most of any sensational possibilities of some damaging confession by me, was held in check by the older and more experienced men. I mention my cordial relations with the Washington correspondents not because I made any effort to dictate to them, but because I want

"BY-GONE DAYS"

COPY OF A PICTURE PRESENTED TO EDWARD N. HURLEY AT A DINNER GIVEN IN HIS HONOR IN WASHINGTON, D. C., UPON THE OCCASION OF HIS RETIREMENT FROM THE SHIPPING BOARD, JULY 31, 1919, BY THE NEWSPAPER CORRESPONDENTS WHOSE SIGNATURES ARE ATTACHED. WM. LEE BRUCKART, UNITED PRESS; RODNEY BEAN, *New York Times;* RALPH O. COLLINS, *New York Sun;* WM. P. PLYTHE, X-I. N. S.; D. M. REYNOLDS; BRAMWELL DAVIS; O. VAN WYCK, JR., ASSOCIATED PRESS; R. B. ARMSTRONG, *Los Angeles Times;* R. H. BAILEY; EDWARD C. EASTON, *Philadelphia Inquirer;* J. F. RICHTER, JR., *Central News;* HARRY WARD, I. N. S.; CHAS. MICHELSON, *New York World;* THEO. M. KNAPPEN, *New York Tribune;* HAL H. SMITH, *New York Times;* SAM SMALL, *Washington Post;* GEORGE E. DURNO; WALTER SCOTT MERIWETHER; JOHN J. MARRINAN, *Boston Herald;* T. W. BELL, *Philadelphia Public Ledger;* PAUL WOOTON, *New Orleans Times Picayune;* ARTHUR W. CRAWFORD, *Chicago Tribune;* PIERCE MILLER, ASSOCIATED PRESS.

to give them credit for repressing their natural desire to write exciting "stories" which would not have aided the American cause; and for adhering strictly to facts. They knew, as well as I did, that it takes time to build plants and to construct millions of tons of ships. They saw also that, in the main, we were right in the policies which we had adopted; they realized that each man in the Fleet Corporation and in the yards was doing his utmost to beat the submarines. That was the big "story"—not our occasional mistakes—and they told it.

We did not limit our publicity to the magazines and newspapers. Public libraries all over the country were requested to make exhibits of their books and other literature on ships and shipping. Under the direction of Mr. John Cotton Dana, librarian of the Free Public Library of Newark, Miss M. L. Prevost compiled four bibliographies, one on "Ships and the Ocean," one on "World Trade," another on "Foreign Countries," the fourth on "Foreign Books Dealing with Ships and Trade." A plan was prepared to present the importance of ships to boys and girls in school. This called for the publication of shipping facts in elementary readers. The idea proved so interesting to the American Book Company that Mr. L. M. Dillman and Mr. Louis B. Lee, respectively president and vice-president of the company, came to Washington to discuss it with me. The result was the publication of "Sailing the Seas—the Log of Tom Darke," written by Mr. James Baldwin and Mr. W. W. Livengood of the editorial staff of the American Book Company. The introduction to this book was written by me. It appeals to boys and girls between ten and twenty years of age.

For the education of a still younger element, at the suggestion of "Jim" Collins, I invited officers of the Toy Manufacturers of the United States of America

to a conference and presented to them the idea of merchant marine toys. A number of ingenious toys were displayed. One manufacturer produced in miniature the standardized, fabricated steel freighter built at Hog Island. His model was propelled over the home-carpet-ocean by clockworks. Another manufacturer invented a "World-trade" game, employing ships as the pawns or pieces and introducing storms, reefs, rocks and docking facilities as obstacles. Even sailor dolls were sold, clothed in the uniforms of the American Merchant Marine.

Busy as we were, I felt that we ought to take the public into our confidence as much as we could, and to invite its letters of inquiry. The letters came in like an avalanche. They had to be answered by some one who was thoroughly conversant with Shipping Board policies and activities. I selected Frank B. Lord, of my personal staff, to organize the business of answering letters. To my astonishment, he succeeded in getting to help him, Mr. Henry M. Robinson, later one of the Commissioners of the Shipping Board. The manner in which Robinson, a prominent banker and great executive, modestly assumed the position of a subordinate, was a lesson in self-effacement that taught us all how great a man he was.

In January, 1918, we decided to publish a weekly paper, devoted to the interests of the Emergency Fleet Corporation. It was named "The Emergency Fleet News," of which Robert D. Heinl was editor and Julius S. Holl busines manager. The first number appeared February 28, 1918. Before the close of the war, "The Emergency Fleet News" attained a weekly circulation of 20,000 copies. It was not intended for general distribution. It was published solely to stimulate ship-building, by encouraging a sporting rivalry among shipyards and by broadcasting news of remarkable records and production methods.

We issued also "The Shipyard Bulletin," which was posted in the shipyards, to be read by workers so that they might be advised what progress was being made in rival yards. "The Emergency Fleet Bulletin," another publication, was posted in manufacturing plants which produced ship-building materials. This Bulletin aimed to provide some psychological connecting link between these plants and the shipyards, and to arouse in all workers engaged directly or indirectly in ship production the feeling that they constituted a cohesive army, fighting in a common cause.

Competitions were arranged in various trades at the yards, particularly in riveting, which was a controlling factor in the completion of a vessel. These "Riveting Contests" served a useful purpose, by calling attention to the possibilities of a much greater rivet drive than ordinarily was secured. One day a riveting gang in the Baltimore Dry Dock and Shipbuilding Company's plant in Baltimore, headed by Finner Schock, drove 658 ship rivets in eight hours. That was the record then. The news of Schock's feat was published all over the country. The shipyards gangs were fired with the desire to beat it. Two or three days later 1202 rivets were driven in an eight-hour day by Charles Goldwise and his gang. Next came Louis Rehak and his gang with a record of 1414. Both Goldwise and Rehak took the record back to Baltimore. Two weeks later a gang in the American Shipbuilding Company's Buffalo yard drove 1624 rivets in eight hours. Finner Schock, the original record holder, was spurred on to new efforts and succeeded in driving 2720 rivets in nine hours. Edward Gibson at Kearney, N. J., beat him with 2919 rivets driven in eight hours.

England began to wake up. At first it was thought in the British yards that our records were merely Yankee exaggerations. Soon British riveters were

cabling over records that for a time beat ours. A gang in the yard of Fraser & Fraser, London, carried off the palm with 4267 rivets driven in nine hours. A week later, however, the blue ribbon travelled across the Atlantic again. American papers offered cash prizes for new records. An English ship-builder offered twenty-five pounds to any American gang that could beat the English record. Charles Knight, a negro in the Baltimore Dry Dock and Shipbuilding Company's plant won the English prize by driving 4875 rivets in nine hours. Finally the Pacific Coast was heard from. Tom Horn of the Moore Shipbuilding Company, Oakland, Calif., drove 5620 rivets in nine hours. The crowning achievement was a drive of 11,000 rivets in a single day, the claim of an English gang. It never was verified officially, so far as I know, and certainly seems incredible.

Riveting is probably the most important job in building a steel ship. There are many sizes of rivets, the smaller ones being more speedily handled than the larger rivets. It is reasonable to suppose, therefore, that the smallest size rivets were used when the highest record was made. The Fleet Corporation framed a scientific score card which took account not only of the number of rivets driven in an hour, but of their size. We heard little from the riveters about wages, after this. Some gangs at the height of the contest earned from fifty to one hundred dollars a day, divided among their members. Record-making was so exhausting that a victorious gang would be obliged to rest for a few days. Since this did not at all help the ship-building program, we placed the game on a different basis. Every shipyard was scored weekly, according to the number of rivets driven on each of its shipways. Thus everybody was encouraged to enter the game, and production was stimulated.

The contest spirit became so keen that the shipyard

Launching of The "Liberty".
Champion Pavelich Winner World's Prize, May 27th, 1918
2906 Rivets in nine hours. receiving prize from Miss Marr.

PAVELICH, CHAMPION RIVETER, AND HIS CREW, WINNERS OF THE WORLD'S PRIZE FOR RECORD UP TO MAY 27, 1918, RECEIVING PRIZE FROM MISS MARR.

owners caught the fever of speed, which was exactly what we wanted. They built and launched hulls at a rate which seems astounding. Under the spur of the war emergency, many record-breaking achievements were performed in American shipyards. For speed of construction the *Crawl Keys,* a 3350-ton steel ship built by the Great Lakes Engineering Works at Ecorse, Michigan, was completed in twenty-nine working days; and the *Aberdeen,* a 4000-ton wood ship, built in twenty-seven days by the Grays Harbor Motor Ship Corporation, held the record. Another memorable record was construction of the *Tuckahoe,* which was christened by my daughter Helen. The *Tuckahoe* was a 5500-ton steel collier, launched at the New York Shipbuilding Corporation's yard twenty-seven days after its keel was laid. The President was so interested in our every move that he wrote a letter to express his appreciation of the workmen's efforts in building the *Tuckahoe* in record-breaking time. I had a facsimile made of this letter. Each workman received a copy of the letter from the White House, signed by President Wilson, and each prized it highly. By the summer of 1918, wood ship-building had progressed to the point where one wood ship was being delivered each working day.

To keep up enthusiasm in the yards was no easy task. The ship-workers would work feverishly for a few weeks; then would follow a decline in production. We were fortunate in having some two-fisted labor leaders, who appreciated this situation and did their utmost to stimulate the efforts of the men. One of them was Mr. M. J. Maguire, business agent of the Boiler Makers Union in Seattle. In a speech to the men, he called their attention to a large service flag hung in one of the yards in honor of 267 employees who had entered the military service and were in France. He said that not one of them was receiving double pay for overtime or was "laying off" on Monday morning

because he had been out late Saturday night. There was no labor representative to speak in their behalf. "Those men," he said, "declared themselves willing to go to the trenches in France. Some are wading up to their knees in water. They are willing to lay down their lives, that you and I may be free and that democracy may prevail all over this world. You have agreed to work eight hours a day; but the men in the trenches, whom those stars represent, work twenty-four hours a day! *You* expect to get paid for eight hours a day; and we expect that you will put in eight hours for it, and that on Monday morning every man will be here. There is something you will have to do while this war is on—WORK! WORK! WORK!—like blazes!"

We were constantly inventing new ways to rekindle the ardor of the workers. One of these periodical back slidings came at the end of May, 1918, just when the Germans were doing their worst on the western front. May deliveries had not satisfied me, and June promised to be a bad month. It happened that the Moore Shipbuilding Company informed me of its intention to celebrate the Fourth of July with a triple launching. Here was just the opportunity I wanted. The Fourth of July being the greatest day in American history, I decided to celebrate it by launching as many ships as possible—in fact the greatest number that ever slipped into water at the same time in the history of shipbuilding. I fixed the number of ships at one hundred, and passed the word to all the yards. As soon as I announced that the Fourth of July, 1918, was to be our banner day and that more good could be done by finishing ships for launching than by setting off firecrackers, a wave of enthusiasm swept through the shipyards. Thirty days of intense effort followed. The newspapers caught the fever, and set the stage for the most dramatic Fourth of July ever celebrated since the Declaration of Independence was signed.

WAR POSTER

DRAWN IN COLORS BY THE WELL-KNOWN ARTIST, J. C. COLL, TO CELEBRATE THE LAUNCHING OF 95 SHIPS IN ONE DAY.

On June 26th, I was able to cable to General Pershing:

"Pershing, Commanding,
A.E.F., France.

Not by delaying a single ship, but by speeding to the utmost, the American shipyards will launch nearly 100 ships July 4. On this day, celebrating the Nation's independence and backing up boys in the trenches, the men in the shipyards will launch 450,000 deadweight tons—as much as was launched in six months last year. Your inspiring leadership of the American Army in France has thrilled the shipyard workers. And if the time comes when you need even the shipyard men over there, they will go to the last man. We want you and the boys in the trenches to know that the men in the yards are going the limit to provide, in record-breaking time, the ships that will carry more men, food, and munitions to the intrepid American Expeditionary Forces. A cablegram from you, to be read in the shipyards July 4, will arouse increased enthusiasm.

Hurley."

General Pershing replied:

Headquarters, A.E.F.,
France.

"Hurley,
Shipping Board, Washington.

The launching of 100 ships on the Fourth of July is the most inspiring news that has come to us. All ranks of the Army in France send their congratulations and heartfelt thanks to their patriotic brothers in the shipyards at home. No more defiant answer could be given to the enemy's challenge. With such backing we cannot fail to win. All hail American ship-builders!

Pershing, Commanding."

One hundred was a number that caught the public fancy. As a matter of fact, we did not quite realize our great expectations as to the number of ships; but we did succeed in launching ninety-five vessels of 476,164 deadweight tons. In large cities bulletins posted during the day indicated the time when ships (in given localities) would be launched. Every yard did its best

to make that Fourth of July memorable in the history of the country. There were no fewer than four triple launchings.

This scheme of arousing and maintaining interest proved so strikingly successful that we developed it further. Attention was focused on the bulletin boards. We saw to it that they were placed at the heads of the ways, to proclaim as boldly as possible the number of days in which each hull upon which the men were working would be launched; how far ahead of the schedule the work was; and the names of the workers. Competition was quickened, at first among local yards; then among yards in different states; finally between the Atlantic and Pacific coasts, and between the Gulf and Great Lakes yards.

I was invited by my colleague, Bainbridge Colby, to attend the dinner and Liberty Loan drive of the Lambs' Club in New York City. There were present some five hundred of the leading actors of the country and their friends. Among them were John Drew, Will Rogers, Augustus Thomas. Wilton Lackaye presided, and the drive proved to be a marked success. More than $150,000 was subscribed within an hour. Patriotic speeches were made and the thespians were justly proud of their efforts. Naturally, in such a gathering there was much enthusiasm and all of the participants seemed to be anxious to do their bit in helping to win the war. Several wounded actors had just returned from France. They added to the interest of the occasion by singing songs about the Red Cross girls, songs composed especially for the event.

It happened that the drive occurred at about the time one of the Congressional investigations of the Shipping Board was in progress. Some of the vaudeville stars had been making humorous remarks, on the stage, about the Shipping Board. Every night at the "Follies," Will Rogers, in his monologue, had taken occasion to joke about the Shipping Board having

built only one ship. This, of course, always got a laugh from the audience. But those of us who were doing our best to provide ships could not see the humor, especially as remarks of that character tended to create a belief in the public mind that our organization was inefficient. I was called upon for a speech. In the course of my remarks I sought to correct that misapprehension, to sketch an outline of the enormity of our task and to tell what we had done. I made a personal appeal to the players, saying that I knew their hearts were right, and that if they were desirous of helping to win the war they would support us on the stage as well as off. Will Rogers, who followed me with one of his typical speeches, admitted that he had been guilty of thoughtlessly disparaging the work of building ships. He raised his right hand and said, "Never again." I further stated that in recognition of their great Liberty-Loan meeting, which had been very successful, our Government would consider it a privilege to name one of our largest ships "The Lambs."

After that dinner we had the whole-hearted coöperation of actors and theatres in our effort to create a favorable public opinion that would stimulate the work of building ships. We christened an 8500-ton ship *The Lambs,* and to-day she is sailing the seven seas.

Here I must pay tribute to the many brilliant artists who rejected lucrative commissions from magazines and newspapers, to prepare stimulating posters which did much to arouse both the public and the shipyard owners to a pitch of intense enthusiasm. Their's was a whole-hearted, spontaneous sacrifice. Soon after the United States declared war, Mr. Charles Dana Gibson was inspired with an idea of the spiritual significance of the war. The unimaginative manner in which the Government was using pictures greatly distressed him. The various branches, particularly the recruiting services of the army and navy, failed to realize as he did what momentum could be imparted to the popular

mind by dramatic, well-drawn pictures. When he first broached his conception of mobilizing the talent of our artists in the cause for which we were fighting, he met with rebuffs on every hand. A less ardent spirit would have accepted defeat in the face of indifference and opposition. Instead of retiring into his shell, offended at his reception, Mr. Gibson concluded that he had not been sufficiently convincing. He persisted in his efforts. Finally Mr. George Creel was infected by Gibson's enthusiasm. With the approval of the President, Creel created the Division of Pictorial Publicity, of the Committee on Public Information, and made Gibson its director.

Any one who imagines that artists are a happy-go-lucky lot, temperamentally unfit for organized effort, would do well to study the war record of Gibson's Division of Pictorial Publicity. Calling upon Mr. F. D. Casey, then art editor of Collier's, to help him, he built up an organization on almost military lines. Gibson was the man who gave to our whole art movement of the war its purpose and direction. He instructed the artists to abandon materialistic aspects of the conflict, such as pictures of garbage cans into which good food had been thrown at a time when we were on rations; and to depict the deeper significance of the cause in which we were fighting. His men obeyed him, by drawing and painting pictures that fired the imagination and awakened emotions similar to those which would have been aroused had the public been able to see, with its own eyes, a child starving in Belgium or an American soldier killed for lack of ammunition. Casey gave the assignments to the artists, saw that the work was completed within the stipulated time, and watched every detail from brushwork to printing.

Practically every available sculptor, magazine illustrator, painter, cartoonist, letterer and "idea-man" in the country was enrolled in the Division of Pictorial Publicity. There must have been nearly three hundred.

CHARLES DANA GIBSON

CHAIRMAN OF THE DIVISION OF PICTORIAL PUBLICITY, AND A GROUP OF ARTISTS AND BUSINESS MEN IN WASHINGTON. LEFT TO RIGHT (WITHOUT REGARD TO ROWS), D. W. LEE, HERBERT ADAMS, PROF. RICHARD RICE, M. L. BLUMENTHAL, H. DEVITT WELSH, OLIVER DENNET GROVER, GEORGE CREEL, FREDERICK KEPPELL, W. E. HALL, EDWARD N. HURLEY, JOSEPH PENNELL, CHARLES DANA GIBSON, R. D. HEINL, CHARLES PIEZ, MAJOR KENDALL BANNING, JOSEPH P. TUMULTY, DR H. S. GARFIELD, E. H. BLASHFIELD, M. LOUIS AUBERT, OF THE FRENCH HIGH COMMISSION, CARL MILAN AND FRANCIS JONES, ADMIRAL SAMUEL MCGOWAN, PAUL BARTLETT. AT THE EXTREME RIGHT IS F. D. CASEY, ART EDITOR OF *Collier's*.

Among the more noted were Herbert Adams, E. H. Blashfield, Joseph Pennell, Cass Gilbert, William J. Beauley, F. G. Cooper, C. B. Falls, Louis Fancher, Malvina Hoffman, Wallace Morgan, Herbert Paus, W. A. Rogers, Harry Townsend, Frank J. Sheridan, Jr., H. Devitt Welsh, C. D. Williams, W. T. Benda, Haskell Coffin, James Montgomery Flagg, Henry Reuterdahl, J. C. Leyendecker, Harvey Dunn and Charles Livingston Bull. Gibson had wonderful talent to conjure with. All the artists who were not drafted into military service worked without compensation, even paying their own railway fares whenever it was necessary to call them to Washington. No books were kept. Each man was his own comptroller, treasurer and paymaster.

Each Friday evening the principal artists, our "captains" of military art, would meet at Keen's Chop House in New York and listen to Gibson, or to men who had been at the front and who could give vivid accounts of actual warfare. Thus Gibson engendered the spirit of teamwork. He called it "getting religion." Over and over again he admonished the draftsmen, painters and cartoonists "Draw 'til it hurts."

The Division of Pictorial Publicity worked for all the various governmental agencies, including Liberty Loan committees, the Army, the Navy, the Food Administration and the Shipping Board. The head of each agency would tell the Division of Pictorial Publicity exactly what he wanted; and Casey would see to it that those wants were supplied. I found the artists an invaluable aid in maintaining and heightening interest in ship-building, both in the yards and in the press. Some of the most attractive posters produced during the war were made for the Shipping Board and for the Fleet Corporation. Especially effective were those made by Jonas Lie, James Daugherty and H. Giles.

Newspaper artists also added their talent to the

efforts which our Publicity Department was putting forth. Such nationally known artists as McCutcheon, Darling, Macauley, Kirby and others, told in pictures not only the urgent need of ships but the efforts which were being put forth to provide them.

Service flags, buttons for ship-workers, and flags for shipyards were designed and distributed. At Heinl's suggestion, John Philip Sousa composed his "Volunteer's March," which he dedicated to me. We distributed copies of it to shipyard bands and others.

We borrowed an idea from the army with respect to the service flags. Every household in the land that could boast of the right to fly an army service flag did so proudly. Because ships were as necessary as soldiers, we regarded shipyard employment to be as important as service in the army. Many workers, however, felt that their patriotism was not receiving the acknowledgment that it deserved. For this reason we provided a service flag of our own design, bearing a star for each shipyard worker. In order that no shipyard worker might be accused as a slacker, without being able to disprove the charge at all times, we furnished a service button to each man who had anything to do with the construction of ships. That such buttons, though of no intrinsic worth, were highly cherished for their sentimental value has been demonstrated to me repeatedly. Years afterwards, in various sections of the country remote from shipyards, not infrequently men have exhibited proudly their shipyard buttons, as evidence of their war service.

This systematic campaign in educating the public to a realization of the magnitude of our effort profoundly impressed our Allies. In its issue of November 16, 1918, the Parisian newspaper *Oui* thus summarized the effect of our publicity work:

> From the most powerful financier to the poorest citizen, from the engineer to the workman, from the inhabitants of the coast to the ranchman of the central United States—

everybody has heard and understood this patriotic appeal. Without ships the war could not be won; without them no economic victory would be possible after peace. Every American knows this; and it is this little detail which constitutes to-day the strength and wealth of the United States. But this idea which consisted in impressing upon the consciousness of every person the necessity for tonnage was not easily accomplished, and it will not be without difficulty that it is inculcated in each of us in France. . . The patriotic fibre responded at once, the legendary American navigator roused himself at once from his sleep of more than fifty years. And soon every American was acquainted with the necessity of the hour and offered spontaneously his assistance.

CHAPTER XVII

SUPPLY OF MATERIALS

From frying pans for the galley to 2800 horsepower engines, in fact everything that a ship needs, had to be procured again and again, for the hundreds of ships scattered in scores of shipyards along the Atlantic and Pacific Coasts. Here was a problem involving civil and mechanical engineering, and also frequent adjustment of financial and labor difficulties, education, railway traffic, building and storage. It could be solved only by centralized control. We established a Supply Division of the Fleet Corporation to keep in close touch with American and European manufacturers. The Outfitting Department alone of this Division had dealings with more than 150 manufacturers of supplies and about a like number of ship-building plants. Its Raw Materials Section drew upon some forty sources of supply, and supplied about sixty consuming ship-building plants. The Lumber Department, through its Fir Production Board on the Pacific Coast and its yellow-pine headquarters on the Gulf Coast, reached out to every important sawmill in the great timber belts. Only with a highly ramified organization was it possible to prevent delay in supplying the thousand-and-one things that enter into the construction of a ship, or that must be considered in housing workers and providing for their welfare.

What a stupendous problem this constituted may be gleaned from the vast amount of material required by Hog Island alone, where "A" and "B" ships were fabricated.[1]

[1] The "A" ship referred to was a frabricated cargo-carrier of 7500 deadweight tons, 401 feet long. The "B" ship, also fabricated, was 448 feet long, with a deadweight tonnage of 8000. The "B" ship was a combined cargo-carrier and troop transport. The figures given refer to Hog Island "A" and "B" ships.

The number of pieces of steel and liners required for each "A" ship was 17,389, and for each "B" ship was 19,403. The rivets necessary to be driven for an "A" ship numbered 530,000; for a "B" ship 630,000. Rivets were delivered to the yards literally in train loads. Hog Island planned to build 180 ships of the "A" and "B" classes. Had it completed that program it would have required 3,271,000 pieces of hull steel—enough to build twenty Grand Central stations, or thirty Woolworth buildings, or ten Quebec bridges, or seven miles of twenty-story buildings 100 feet deep; or enough 90-pound rails to lay 4000 miles of standard single-track railroad, which is 1000 miles greater than the distance from Philadelphia to San Francisco. For the 180-ship program, Hog Island would have needed 124,000,000 rivets, weighing 22,300 tons. This amount of steel is equivalent to a rod seven-eighths of an inch in diameter and 4200 miles long. The number of rivet holes that would have been required was 337,590,000. The area punched for the rivets would have been equal to twenty-four acres.

Contracts for steel were let practically at one time. For this reason the mills were flooded with orders. The President showed his keen grasp and interest in this business problem. On July 24, 1918, he wrote me that he was disturbed to find that the industrial demands of the country for the supplying of war needs were far in excess of the productive capacity of the country. While the war demands of the country would have to be met, it was necessary, he said, that they should not be anticipated, because he was fearful that orders for war supplies might be accumulated in the shipyards and materially affect the curtailment of essential industries.

The Shipping Board, through the Fleet Corporation, rapidly became one of the largest purchasers in the world, of both raw and finished materials. But it could not buy what it wanted without considering the needs of essential industries. As the War Industries

Board was charged with the control and allocation of the fundamental materials of industry, the Shipping Board of necessity had to keep in the closest touch with it. This contact was established by having Shipping Board representatives in the Priorities Division and in the Requirements Division of the War Industries Board.

From the Chairman of that Board, Mr. Bernard M. Baruch, and from his associates and assistants we received the most substantial aid. Although Baruch was not a creative industrialist, he was a profound student of American economic conditions. He applied his knowledge with brilliant success in the nationalization of American industry as a whole to meet the exigencies of war. He proved to be one of the shrewdest judges of men. Genuine, innate ability rather than reputation, was his test of a man's fitness for a job.

Probably many wondered why Mr. Alexander Legge, of the International Harvester Company, was willing to act as Vice-chairman of the Board and Chairman of its Requirements Division. I found Legge an ideal man to work with. He had just the international business viewpoint needed. Thanks to his thorough knowledge of European affairs, he was able single-handed to manage half a dozen bureaus and sections of the War Industries Board. As Chairman of the Requirements Division, we came in continual contact with him and learned to appreciate his extraordinary talents at their true worth. His manner of doing things was in marked contrast with that of those human dynamos who galvanized many of the governmental agencies during the war—a quiet, modest man, who moved surely and silently to the definite goal that he had in view.

The Priorities Division of the War Industries Board was headed by Judge E. B. Parker, an able lawyer and born conciliator. Manufacturers of non-essentials who had waxed eloquent in trying to prove to him that the war would be lost unless their plants were permitted

to operate full blast, left him convinced that they ought to sacrifice their private interest to the public welfare. With Judge Parker and Mr. Leonard J. Replogle, who had charge of the distribution of steel, we worked hand-in-glove, in order to keep a steady flow of essential materials.

It was fortunate for us that Mr. James A. Farrell, President of the United States Steel Corporation, had five members of his staff devoting all their time to checking up the shapes and plates required in the shipyards and delivered by his own firm as well as by all other steel companies. These materials were followed up not only through the mills, but also after they had been placed on the cars. Their location at all times was known by means of tracers. When they arrived at the shipyards, Farrell's New York office was notified by wire. Information required, regarding a shortage of shipyard steel, was furnished me promptly.

The romance of the sea truly was in Farrell's blood. His father was a ship captain who had cleared, on the brig *Monte Cristo* from Brooklyn, for a foreign port forty years ago and never was heard of again. During the years that the son was still a youth, Captain Farrell took him on numerous voyages, and to many lands. On those trips young Farrell acquired extensive information which made him an acknowledged authority on such subjects. To-day he can tell from memory the depth of every harbor in the world, the class and style of ships capable of entering such harbors as well as the exports shipped from and the imports required by any country or island. It is with a feeling of deep gratitude that I express my appreciation of Mr. Farrell as a man, for the wonderful coöperation and service which he gave without stint, and also for the personal interest he took in the success of our shipbuilding program. Farrell's interest in things of the sea is an inherited trait that was fostered during his boyhood, and followed him into his personal life as

a hobby and recreation. This interest led him into a peculiar experience on one occasion. It concerned a collector of ship models and old books on shipping, who well knew of Farrell's love of the sea and frequently used to call on him. One day an old gentleman visibly excited made his appearance at Farrell's office, and asked to be permitted to see him at once on a mission of grave importance. Being engrossed in important work, Farrell was inclined to have the man call at a later time. However, the caller was insistent that what he had come to talk about would stand no delay. The secretary yielded and admitted him. Much to Farrell's surprise the man said nothing upon entering the office; but merely thrust at him, with much agitation, a worn document, yellow with age. It proved, upon examination, to be the last United States customs papers which Mr. Farrell's father had signed, the day he set sail from Brooklyn many years before on what proved his last and fateful voyage.

When Edward F. Carry was made Director of Operations, he organized the new Transportation Division to control the railroad transportation of shipbuilding materials purchased by the Fleet Corporation. In charge of this Division were, successively, Mr. David L. Ewing and Mr. F. C. Joubert. By April, 1918, there were fifteen transportation districts, each with a manager; and a plan had been devised whereby material reached the yards on time. It was possible to send shapes in train-load lots to their respective destinations from a place like Chicago; but if material in a single car reached a railway centre, it was a matter of chance when that car would take its place in a train headed in the right direction. Car assembling centres were made of points such as Joliet, Illinois. At these centres single cars were coupled into solid trains and then were dispatched to their proper destinations. Before the armistice was signed the Division was send-

ing weekly as many as forty trains from Chicago to the Pacific Coast.

Activities of the Shipping Board entered into each phase of the war and we were in close touch with the War Trade Board, the Railroad Administration, the Food Administration and the Fuel Administration.

Among the many problems of Dr. Harry A. Garfield of the Fuel Administration was that of getting coal to New England. We endeavored to coöperate with him and he did effective work in impressing upon the people the importance of ships.

Mr. Herbert Hoover, Food Administrator, always was under pressure to relieve the food situation in Belgium and other countries and to maintain balanced rations at home. To assist him, we gave him every ship that could be spared. The world knows of his success.

Secretary McAdoo, as Director-General of Railroads, took a personal interest in our ship-building program, despite the multitude of tasks imposed upon him, and continually was endeavoring to rush our raw materials across the continent to the shipyards. In this task he had associated with him Mr. Carl R. Gray, who had charge of Railroad Operations, and Mr. Edward Chambers in charge of traffic. Chambers devoted much time to supervising the work of insuring prompt delivery of our supplies to the shipyards.

THE WAR TRADE BOARD

The War Trade Board, of which Mr. Vance C. McCormick was Chairman, was organized to prevent the exportation of materials to neutral countries from which they might be reshipped to Germany; and also to control imports into the United States. That Board also had control of the bunkering of all ships, domestic and foreign. No ship could obtain coal or oil, for fuel, in American ports unless it had been licensed to do so by the War Trade Board. This placed in the

hands of the Board the complete control of the departure of all ships from American ports.

I served as a member of the Board early in 1917, and learned the methods employed by shippers in endeavoring to get permits to ship their wares into Germany.

Some time before my appointment and before we entered the war, on board a train from Chicago I met a gentleman whose business was the manufacture of malt. He informed me that each month he was shipping $250,000 worth of his product to Germany, through Sweden, Holland and Denmark. He was quite enthusiastic about his success in getting it through without detection. A few days after the organization of the War Trade Board we were bombarded with telegrams from friends of this malt manufacturer, urging us to issue a permit allowing him to export his malt to neutral countries, and giving us the assurance that he would provide a bond and guarantee that the malt would not reach Germany. I related to my colleagues on the Board the conversation I had with the maltster. The license he applied for was not granted.

Requests for a permit to ship 1000 tierces of lard to Switzerland were made by the Swiss Minister in Washington. Dr. Alonzo B. Taylor, a member of the War Trade Board, who was familiar with the situation and knew the amount of fats required by Switzerland, recommended that the license be denied, as the Swiss already had a sufficient supply for their own population. The Board delayed action, but under some pressure. To our surprise, Jusserand, the French Ambassador, called and urged us to grant Switzerland's request. We learned later that the lard really was for Germany, in exchange for coal needed to operate in Switzerland electric light and other plants, which were making war materials for France. The Board refused the license.

Before the war, most inhabitants at the borders of the small, neutral nations of Europe—Holland, Sweden,

Denmark and Switzerland—and in a measure the larger nations, were like next-door neighbors in any local community. They had been trading and borrowing from each other for centuries. Many of them had been educated in the schools and universities of neighboring countries. Race representatives had intermarried. Naturally, they had many interests in common. Military leaders expected that all commercial relations with the enemy would cease, instanter, with the declaration of war. However, business men resented any interference, by their respective governments, that would prevent them from serving their old customers in neutral countries, particularly at war prices. They did not concern themselves with the question whether or not the neutrals would ship the products into Germany. This applied alike to Great Britain and France.

Business men in Great Britain had not been expecting war, and time was required to adjust the commercial affairs of the country to a war basis. As a rule, local customers stopped ordering overnight; but on account of the war, orders from neutrals flooded English factories. Had these orders not been accepted, labor immediately would have become unemployed. That would have thrown out of balance the whole economic structure, and in view of war conditions might have created a dangerous internal situation. Lord Northcliffe admitted to me that during the first two years of the war Great Britain sold to Holland and other neutral countries millions of dollars worth of materials. A substantial amount of this material no doubt was sold to Germany and helped to prolong the war.

Many members of Congress were protesting against British interference with our trade on the seas. Pressure on our government from business men, urging that the government protect them in their rights to ship to neutral countries regardless of whether those

commodities were going to Germany or not, was so great at one time that war was threatened.

The United States demanded the "freedom of the seas" for our commerce and went to war against Germany when her submarines tried to stop us. The seizure of one of our shipments by the British was the cause of great concern on the part of our government and of Great Britain. At one time the situation was quite serious, until two bills of lading were found, one showing shipment to a neutral country and the other direct to Germany.

The League of Nations may give Europe the opportunity of deliverance from her fears; but while the theory of the League is sound, that economic pressure by a group of strong financial nations may prevent or shorten a war, the home economic problems of each individual nation must be carefully considered. They have a direct bearing on the state of mind of the people and on the political situation which may change overnight. The question always will be how long the producers of any nation will accept national restraints that cramp their economic opportunities and deny them trade advantages resulting from foreign conflicts.

CHAPTER XVIII

WILSON AND BAKER AS PACIFISTS

Prior to our entrance into the war it was the opinion of many persons that President Wilson and Secretary Baker were pacifists. This opinion was shared by officers in the Army. Hence when a declaration of war against Germany seemed imminent the Army was greatly concerned as to the kind of Commander-in-Chief President Wilson would be and whether or not Baker would prove himself a real fighting Secretary of War. The fighting qualities of both soon were disclosed in connection with the important problem of raising and maintaining the huge army necessary for operations in France. Obviously, in view of the sad experience of Great Britain with voluntary enlistments, compulsory service was the most logical method and the most capable of rendering justice to all concerned. Nevertheless, compulsory military service was thought to be hostile to American traditions; and in view of our heterogeneous population and somewhat divided sympathies it was thought possible that Congress would not pass a draft law.

General Hugh L. Scott, Chief of Staff, first presented the suggestion of the selective draft to the Secretary of War, having previously discussed the matter with General Leonard Wood. Baker gave the suggestion much thought and discussed it at length with General Scott and finally laid it before President Wilson. After a little discussion with Secretary Baker, who was convinced of its advisability, the President accepted the proposal without reservation and instructed Secretary Baker to have the necessary legislation prepared, so that it could be taken to Congress as soon as he read a war message if such message

should be necessary. Acting under the President's instructions Baker sent for General E. H. Crowder, Provost-Marshal of the Army, and told him to start preparing the legislation. Consulting with Baker frequently and discussing with him various problems as they arose, Crowder worked on the legislation for three or four days. Hence, when the President's war massage was read it contained a statement that legislation looking to the draft was ready to be submitted to Congress. The same afternoon copies of the proposed law were delivered to Mr. Dent, Chairman of the House Committee, and to Senator Chamberlain, Chairman of the Senate Committee on Military Affairs.

I must express my admiration for the manner in which General Crowder proceeded to raise the national army. I doubt if his colossal undertaking has received anything like the recognition that it deserves. To me Crowder will remain one of the great figures of the war, a modest, self-effacing and self-sacrificing officer imbued with the one idea of serving his country well. I regard him as one of the ablest military organizers that any country has ever produced.

As may be supposed, it was not possible for the Shipping Board to recruit tens of thousands of men for ship-building without an understanding with General Crowder. He had to consider the requirements of General Pershing, who needed millions of soldiers, and of the essential industries, as well as of ship-building which called for upwards of 350,000 workers.[1]

[1] The General's task was made doubly difficult by the Army's constantly changing program. With new demands coming from the front every month it was practically impossible for General Crowder to adhere to any set plan. Thus, it had been decided that 100,000 men were to be transported to France in January, 1918; the actual number sent abroad in July, 1918, was over 300,000. By the spring of 1919, 4,000,000 men were to be in France! "No such troop movement as that of the summer of 1918 had ever been contemplated, and no movement of any such number of persons by water, for such a distance, and such a time, had ever previously occurred."—Ayres: "The War with Germany." (Washington, Government Printing Office, 1919.)

But no man was more keenly alive to the immensity of the Shipping Board's task than was General Crowder. It was his labor policy that made it possible for us to use the many ship-workers who volunteered as the result of the impassioned appeal of the "four-minute men,"[2] and all without crippling the army. Upon Howard Coonley's shoulders fell the major part of the work of administering that policy in connection with shipyard labor.

Under General Crowder's regulations, placed in force on December 15, 1917, all registrants, irrespective of classification, were eligible to be placed in the Fleet Corporation's classification list. The effect of so placing a man was the granting of special deferment to calls for military service, either upon the request of an authorized official of the Navy Department or of the Fleet Corporation, or of the recruiting service of the United States Shipping Board. This special deferment obtained only so long as the registrants remained thus engaged.

"WORK OR FIGHT"

On May 17, 1918, General Crowder promulgated his famous "work or fight" order. Its genesis is very forcefully related in the second report of the Provost-Marshal General to the Secretary of War, on the Operations of the Selective Service System, page 75.

In a sense, what Crowder did was to put essential industries on what may be called a labor ration. He considered the nationality of the workers, and the character of the occupations in which they were engaged; and thus he established what may be called priority control of labor. Chauffeurs, perfumery salesmen and the like had either to join the colors or to seek employment in one of the essential industries. With the aid of such a broad-gauged man, we had no difficulty in manning the yards.

[2] *Infra*, p. 204.

In the West, Americans built the ships. In the East, we had to rely largely on many unnaturalized foreigners who had no real interest in the conflict. In some yards on the Atlantic Coast fully 50 per cent. of the workers were unnaturalized. Many of them could not speak English. As I look back at the trying months of the war, I am very much impressed by the fact that despite our labor troubles, ship-building proceeded with scarcely any important interruption. Great Britain constantly was harassed by ship-building strikes. She had no large alien population to assimilate and to fit into the industrial organization of the war. Considering the motley international character of our laboring population, we had a more difficult task than that of Great Britain.

RECRUITING AN ARMY OF SHIPYARD WORKERS

In only two ways could an army of 350,000 shipwrights, riveters and others be recruited. Primarily, there was the obvious method of tempting, with higher wages, experienced mechanics engaged in other industries. That method is applied even in times of peace when conditions are abnormal—when, for example, orders accumulate and manufacturers worry about the labor supply. Employers become almost panic-stricken at the thought of losing business, or the impossibility of making deliveries at the stipulated time. They outbid one another for labor. The war magnified this practice to the *n*th power. Atlantic shipyards were the worst offenders. Some of them even sent representatives to the Pacific Coast, authorized to promise not only tempting wages but also the payment of railway fares including Pullman berths, to the East. Not to be outdone, the Pacific Coast ship-builders advertised for labor, in eastern papers and held out similar inducements. Government yards did not hesitate to outbid private yards. Shipyards, as a whole, were competing in the labor market with steel mills,

munition factories, and plants with which, in normal times, they would not have had the remotest concern. We have heard of pickets parading up and down in front of works and trying to induce men within to join a strike; but the war presented the spectacle of picketing for a different purpose. Some shipyards went so far as to engage men to stand outside the gates of competitors and to lure away riveters, machinists and skilled artisans, with every conceivable blandishment. Indefensible as is this practice of recruiting labor at another's expense at any time, it was doubly so in time of war. It was apparent that if we of the Shipping Board could tempt men from factories and mills with the offer of higher wages, that they could be similarly lured away from us. Is it any wonder that the cost of building our ships was unreasonably high while competition for skilled labor was so keen between shipbuilders? This constant changing of men, from one yard to another, hampered their efficiency to a degree that seriously affected our production ability.

It has been said that President Wilson was not willing to accept advice. But from letters that were sent to him, of which many have been published, the people of the country must be fairly well satisfied that he was offered plenty of it. I found him ready and willing to receive suggestions. However, he was very much opposed to having one member of the Cabinet interfere with the work which came under the head of another; and to receiving suggestions as to how another man's department should be conducted. He was quite right in that, of course. The President deemed it a reflection upon his judgment in appointing the particular individual against whom criticism was made, and felt that it tended to affect the morale of that department.

In the War Cabinet meetings, when a member presented recommendations to the President, he expressed his views freely. Other members expressed

theirs, particularly if the subject under discussion entered into the scope and operation of their departments. Frequently, if some member discussed a matter and continued "going around in a circle," instead of arriving at the point, the President listened patiently and when an appropriate opportunity presented would say, "Well, *I must confess I am up a blind alley.*" This usually had a wholesome effect.

SHOULD INDUSTRIAL DRAFT BE EXTENDED TO INDUSTRY?

I recall, in a War Cabinet meeting, a suggestion for taking over all the steel plants, including those of the United States Steel Corporation, and operating them by the Government. The President listened attentively. Being vitally interested in the matter of providing shapes and plates for ships, I frankly voiced my hope that this would not be done. I then pointed out that we were receiving the materials we needed for building ships; that while I appreciated the fact that the railroads, manufacturers of automobiles and other users of steel might be short of their requirements, if there were any movement toward having the Government take over these efficiently managed steel plants we would be handicapped later in getting supplies and our building program could not be continued along the basis of the schedule we had outlined.

The subject was passed over with very little further discussion, and never again was it seriously considered. It was my conviction that if we were to take over the steel industry its efficiency would be reduced 50 per cent. within six months. At that particular time, I was having some sad experiences with a number of Government-managed properties and did not favor further government operation of industry.

I hope an industrial draft-law never will be enacted. The human element enters into every phase of business and of war. When the Government took over the rail-

roads, that very day individual responsibility from the president down to the section foreman on each road was transferred to the Government, with the result that all along the line those men lost their initiative. A similar condition would result from an industrial draft. We may have a large Army and a large Navy, during a war; but unless there are great industrial leaders looking after their private businesses, and personally responsible for the delivery of supplies for the Army and Navy, the efficiency of managers and men in industrial plants soon will be lost. Extreme difficulty would be encountered in winning a war with the scources of supplies inefficiently managed.

The factor enabling Germany to fight all Europe, for a time, was not so much the superiority of her military establishment as it was the superiority of her economic system. The economic structure of a nation must be efficient in order to be effective. Unless production and transportation back of the lines are well managed by private citizens and without governmental interferences, a chaotic condition will develop. What does it matter if industry does make war profits and workmen receive high wages, if they produce results that enable the nation to conclude its war quickly and successfully? Individual initiative and responsibility make the wheels go 'round. We would not think of saying to the workman: "Now you are patriots and you must work for low wages during the war." Nor should we say the equivalent to the owners of plants. Whether we are at war or not, there will be inefficient management in various industries. We have enough of this already, without attempting anything which would breed more under war conditions. If we tax war profits sufficiently, business will pay for the war.

At different times I had many interesting experiences with officials of large corporations. I was compelled to ask some of them to do what seemed to be

impossible in making deliveries of materials and equipment to the Fleet Corporation. Many of those men had boys in the trenches. Remembering our earnest pleas, and with their hearts with these lads in France, they not infrequently returned to their plants, explained the exigencies of the situation to their staff organizations, and then made deliveries ahead of schedule time.

In the stress of building turbine engines and generators for our ships, I always knew that I could depend upon that distinguished industrial leader, Mr. Anson W. Burchard, Vice-chairman of the General Electric Company, who never failed to exert himself to the utmost, to be of service to the Shipping Board. Because of this fact I came to lean heavily upon the General Electric Company, knowing that with its efficient method of doing things it would be able to supply my demands. Mr. H. L. Monroe, Vice-president of the company, also faithfully looked after our requirements.

SHIPYARD VOLUNTEERS

Believing that some action would have to be taken to arouse a spirit of genuine enthusiasm and a greater interest in their work, among shipyard employees, so that they would remain in the yards where they were engaged, I introduced a plan to raise 250,000 patriotic workers to supplement those already in the shipyards if the latter did not work harder and more regularly.

We limited the time for this enrolment to ten days. I am happy to say that at the end of that time 285,000 volunteered to report for duty whenever we wanted them. They were the much-talked-of "shipyard volunteers." Such was the effect of the enrolment and of the educational work preceding it, that within nine months we had increased the number of employees in our shipyards from 50,000 to 350,000 and had our program backed by the entire country. It was here that Robert D. Heinl, head of the publicity bureau of the

"THE BIG PARADE"

A SAILOR, A SOLDIER AND A SHIPYARD WORKER. WAR POSTER DRAWN IN COLORS BY THE WELL-KNOWN ARTIST, JAMES MONTGOMERY FLAGG.

Fleet Corporation, did particularly effective work. Newspapers, magazines, motion picture theatres and the organization of "four-minute men," consisting of 20,000 speakers, were used to impress upon the people the need of building ships at top speed. Postcards also were distributed in theatres and among other audiences addressed by the "four-minute men," to be mailed to me by those who were willing to work in the shipyards. The postcards bore these words:

....., 1918.

Mr. Edward N. Hurley,
U. S. Shipping Board,
Washington, D. C.

Dear Sir: Appreciating the Nation's imperative need for skilled workmen to build merchant ships with which to overcome the submarine menace, I request to be enrolled as a member of the United States Shipyard Volunteers of the Public Service Reserve. I realize that the World War will be won or lost in the American shipyards. Every rivet driven is a blow at the Kaiser. Every ship turned out brings America nearer to victory.

It is understood that if I am asked to enter shipyard employment, my compensation shall be at the rate of wage prevailing in such yards.

Name.....

Street.....

Town and state.....

Occupation.....

Every speaker was instructed to state that he made his appeal as "personal representative of Chairman Hurley of the Shipping Board," so that the message he conveyed would come from the fountain head. The postcards in turn were addressed to me personally for the same reason. That was done not because I had any desire to thrust myself into the spotlight, but because I knew that there would be a heartier response to the appeals of the "four-minute men" if they talked in behalf of a man, instead of an impersonal entity such as the Shipping Board or the Fleet Corporation. The effect was electrifying, not only on the country at large but in the shipyards. The slackers in the yards—and I must admit they were not few—reached the

conclusion that a quarter of a million ardent patriots, bent on building ships, were after their jobs. Thereupon they proceeded to bestir themselves. The ringing cheers of audiences that listened to the "four-minute men" were registered in every shipyard, by way of the newspapers.

I regard our solution of the labor problem as one of the outstanding achievements of the Shipping Board. Henry M. Robinson did his first important work for the Shipping Board in this campaign. He came to us in July, 1918, from the Council of National Defense. Through his earliest association with the Council, he was able to make all its extensive machinery a part of the shipyard recruiting force. He was ably assisted by Mr. D. M. Reynolds, who acted as liaison officer between the Council of National Defense and the Shipping Board. Every unit of the Council, throughout the country, was told by letter or telegram just what the Shipping Board problem was. All were informed in confidence of the lack of shipyard workers, the threatened danger from strikes, etc. The job of enrolling shipyard volunteers was put up squarely to the home towns.

The effort was surprisingly successful, and 4920 meetings were held with an attendance of 5,081,277. There was awakened in the shipyard workers not only a sense of national importance of their jobs, but a new ideal of citizenship. An improved morale thereafter manifested itself in a gratifying increase in ship production. This campaign accomplished even more. It sold the idea of ships, to people living outside the seaboard cities. The enrolment did more to make the nation ship-minded than could fifty years of talk.

CHAPTER XIX

HOUSING AND TRANSPORTING SHIPYARD WORKERS

When shipyards were constructed and new communities of workers sprang up, we had to become real estate agents and builders. The thousands of men and their families could not be left to shift for themselves. They had to be housed, and transported to and from their work. Often I wished for Aladdin's wonderful lamp—that I had only to rub in order to command willing genii to build houses and railway lines overnight. But there was no lamp—only money. I never realized, until the war, how futile is mere money without brains and willing hands. No one needs to be reminded of the lack of houses prevailing both during and after the war. In some Connecticut factory towns, three different sets of workers had to take their turns at sleeping in the same boarding houses on a three-shift or eight-hour sleeping basis. Picture to yourself a place like Brisol, Pa. When the Merchant Shipbuilding Company erected its yard there, 12,000 workmen had to be housed in some manner. Very few dwellings were available there. Similar conditions prevailed elsewhere. Even in such industrial centres as Gloucester, Camden, Philadelphia and elsewhere in the Delaware River district, houses had been taxed to the limit of their capacity before we embarked on our ship-building program. House-building had stopped. When new yards were built, and the capacity of old yards was trebled and quadrupled, workmen by the thousands were recruited. Providing dwellings became about as important as building ships. Indeed, the ships could not be built unless the workers were housed. Gouging landlords even threatened to make it impossible to obtain shipyard labor at all.

England also had been faced with a similar shortage of houses for shipyard workers, and we felt that we might profit by studying her experience. Mr. F. E. Ackerman had prepared for the Council of National Defense a report on English conditions and this proved immensely valuable to us. It became more and more evident in England that housing was a phase of war, as important as the drilling of soldiers, the building of ships and the production of munitions.

In December, 1917, a Senate Committee began an investigation of the Shipping Board. Admiral Bowles was asked to prepare certain facts for the Committee. He told his assistants: "One of the Senators is sure to ask how Congress can help us; and I want to tell him that we can use some of the appropriated moneys in building houses for shipyard workers." Late one night, the necessary measure was rather hurriedly dictated and placed in the Admiral's bag next morning when he started for the committee room. As he had predicted, the expected question was shot at him. The Admiral answered, "Yes, we want some houses and here is the bill." The Senate passed the measure exactly as it had been drafted, including the typographical errors. Later, when the bill reached the House and was referred to a committee, the lawyers had an opportunity to make some needed improvements.

Congress appropriated altogether seventy-five million dollars ($75,000,000) for housing, and twenty-four projects were drawn up within the limits of this appropriation. The whole program called for 8774 dwellings, nine hotels, 914 apartments, twenty-one dormitories, eleven cafeterias, two schools, one hospital and eighty-one stores. Thus, a housing capacity was assured for 28,863 shipyard workers and their families (56,296 individuals).

In order to carry out this program, the Fleet Corporation advanced money, on liberal terms, to local realty companies that had been organized by the ship-

builders concerned to construct houses on land owned by them, taking back mortgages to cover the amount invested in houses. It was stipulated that in case of non-payment the mortgage would not be foreclosed until after two years had elapsed if the war did not end before that time; that the principal should be paid back to the Fleet Corporation at the rate of 3 per cent. per annum, beginning with the expiration of the two years; and that the excess war cost be written off to reduce the mortgages by an amount equal to the excess cost of performing this work under pressure of war conditions.

It was not enough merely to provide houses for shipyard workers. They had to be transported to and from their work. Facilities for transportation, particularly near those yards which literally sprang up on waste and unpopulated ground, were either hopelessly inadequate or totally lacking. The sum of $20,000,000 was set aside to extend existing transportation lines and to build new lines. The purchase of 363 street cars was financed for the service of seventeen shipyards. Enlargement of railway power facilities was financed for fifteen shipyards. Thirty steamboats were placed in service for twelve shipyards. Sixty railway schedules were improved for forty yards. Working hours were "staggered" in ten shipyards. Steam railroad schedules were improved for twelve yards. As a result of these augmented facilities 184,000 employees were regularly transported to and from the shipyards.

J. Roger Flannery built the foundation for the housing program, and later the Passenger Transportation and Housing Division was placed in charge of Mr. A. Merritt Taylor. We selected him as the manager of the division on account of his fine record.

CHAPTER XX

OUR LABOR TROUBLES

It cost the nation at least three hundred million dollars ($300,000,000) to teach 350,000 men and 130 new managements how to build ships. From the day I assumed office, the labor difficulties of the Shipping Board and the Fleet Corporation beset me. Every industry in the country was confronted with constantly rising wages. Each grant of higher wages increased the cost of living. As the cost of living rose, there were more demands for increased wages.

Altogether eighteen federal labor adjustment boards were created during the war to act for essential industries, and although these many boards conferred with one-another from time to time, the government never adopted a uniform labor policy. That is one reason why so little success was attained in checking the rising cost of living, and the resultant rising cost of labor.

The Fleet Corporation grew with such astounding rapidity that it became imperative to meet labor problems as they arose. No human being possibly could have predicted the many problems of hiring, keeping and paying labor. In the beginning each division of the Fleet Corporation was more or less a law unto itself, so that in the matter of labor it could act without much regard for the other divisions. This was serious enough; but matters were made worse because governmental labor agencies and bureaus not directly connected with the Shipping Board or with the Fleet Corporation also had a word to say. Matters were not helped much, either by the Ship-building Labor Adjustment Board (created to pass upon and settle labor

disputes) or by the Division of Labor in the Fleet Corporation, which also was a mediating body.

SHIPBUILDING LABOR ADJUSTMENT BOARD IS CREATED

A practical policy was needed that could be followed throughout the country. Only a central agency or board could frame and apply such a policy. The Shipbuilding Labor Adjustment Board was created on August 20, 1917, as the result of a memorandum signed by representatives of the Navy, the Fleet Corporation and the respective presidents of the principal international unions whose members were employed in shipyards. Samuel Gompers named Mr. A. J. Berres as the labor representative, and Mr. V. Everit Macy was named by President Wilson. Many names were urged for the post of the Fleet Corporation's representative, by both the Fleet Corporation and the Navy, not one of which proved to be satisfactory. At my suggestion, Mr. Edward F. Carry of Chicago finally was appointed, and elected Vice-chairman. Macy was made Chairman of this Board, and for that reason it soon became popularly known as the Macy Board, although its official title was the Shipbuilding Labor Adjustment Board.

THE GOVERNMENT PAID THE TOLL

Just what were the powers of the Macy Board had first to be decided before strikes on the Pacific and Atlantic Coasts could be settled by its members. The issue was squarely raised by a flat refusal on the part of shipyard owners in the New York and Atlantic districts to pay out of their own pockets any wage increase that might be granted. If the shipyard owners demands were to prevail, the Fleet Corporation would be called upon to pay indeterminable millions, as wages were adjusted to meet the rising cost of living. To set up a budget of ship-building costs and remain within it clearly would be impossible. In September, 1917, a wage increase of only 10 per cent. would have added

$17,500,000 to the cost of ships commandeered, and approximately $30,000,000 to the cost of steel vessels, either actually under contract or about to be contracted for. This was only the beginning. It was evident that there would be renewed and continued demands by the workers for increase of wages.

Thus we faced the cheerless prospect of obligating ourselves to pay untold millions of dollars as increase in wages while the shipyard owners, with whom we had contracted for the construction of ships, would not be called upon to bear any of this threatened additional expense.

In setting up the Board, three men were named to weigh impartially the labor problems presented in the respective yards—one to represent labor, one the public and a third the Fleet Corporation. The shipyard owners as a whole were not represented on the Board, as obviously it would be improper for a shipyard owner in one district to sit in judgment and assist in determining issues that arose in another district. Conditions in North Atlantic seaboard yards were different from those which prevailed upon the Pacific Coast and in South Atlantic and Gulf Coast yards. Therefore, when a given yard had labor difficulties which the Macy Board was called upon to readjust, a representative of labor in that particular yard and a representative of the owner of that yard (with voting power) were permitted to sit on the Board during the hearing of grievances with which they were directly concerned.

I maintained that the Fleet Corporation thus had only one vote out of five. From the outset, Macy assumed the position that the Fleet Corporation should pay all increases in wages during the war. Berres, the labor representative, agreed with him. The labor representative of any particular yard with which the Board might be dealing naturally was more interested in obtaining the increased wage-scale than he was in who should pay it. He felt safer, however, in placing the

burden upon the Fleet Corporation, and consequently his vote invariably was with Macy and Berres. It was obvious that the shipyard owner was not highly concerned, either in granting or refusing an increase in wages—except, of course, that he desired to avoid strikes and other difficulties with his labor. Inasmuch as he was building ships at a specified contract price, when an increase of wages was necessary he was in favor of having the Fleet Corporation meet the demand. This combination on the Board left Carry, the representative of the Fleet Corporation, decidedly in the minority.

I strenuously opposed this policy on the part of the Board, realizing that, as the shipyard owners became indifferent regarding the increase of wages, it would materially affect their efficiency and thus retard the ship-building program. I advocated a proposal that the shipyard owners pay one-half of the wage increase and that we guarantee them a minimum of 10 per cent. profit on their contracts. I took the further position that final approval of any award made by the Macy Board, involving wages, should rest with the Fleet Corporation. Otherwise I could not be held responsible for the ultimate cost of ships. My position was overruled; and the high cost of ship construction, which later subjected us to much unjust criticism, must be attributed largely to the absolute power which rested with the Macy Board to grant increased wages, the entire expense of which fell upon the Fleet Corporation.

It is impossible even to approximate what this policy cost the country. But I am fully convinced that tens of millions of dollars might have been saved if shipyard managers had been compelled to assume their fair share of the wage increases that were granted from time to time.

The Macy Board proceeded to the Pacific Coast to settle strikes involving 40,000 workers besides 10,000 other metal-trade craftsmen in California who had

violated their agreement to abide by the rates established by the Navy. The shipyard workers there felt that they had an added grievance because their delegates to Washington had been unable to confer with the Macy Board, owing to Carry's absence from Washington. Hence, the Board had not only to smooth their ruffled feelings, but also to make the best terms it could.

When Carry resigned as a member of the Macy Board, he stated he was fully conscious that it was inefficient in its extravagant method of handling labor disputes; that no matter how sincerely and honestly its affairs were conducted, its decisions could but result in unduly raising the cost to the government. Carry became Director of Operations for the Shipping Board; and the Macy Board vacancy thus created was filled by the appointment of Mr. Louis A. Coolidge of Boston. His work was invaluable. He knew that, in all probability, the workers and shipyard managers both were somewhat in the wrong. But he could not comprehend the spirit, on either side, which had permitted such an impassé in a terrible national crisis.

The Board could not arrive at an unanimous decision on the Pacific Coast issues. The labor representatives voted with the labor member of the Board, just as I had foreseen. Labor dissenters insisted that the high-wage rate paid by the Skinner & Eddy Corporation be granted to all workers in Pacific Coast shipyards. The Macy Board contended that this higher wage applied to only 6000 men and should not be made the basis of wages of 50,000. I knew something of labor union psychology and that it was no time to consider the justice or injustice of the arguments of the Macy Board. If the Board's contentions were to prevail, I knew that there would be more trouble on the Pacific Coast. Therefore, I granted a 10 per cent. war-bonus to all employees on the Pacific Coast who worked "for six consecutive days in any week, and a total of not less than forty-eight hours." Thus, I hoped to avoid

slacking on the part of men who were inclined to earn money by working two or three days and to spend it without working in the next two or three.

HOW THE DELAWARE STRIKES WERE HANDLED

Since the Board could not convene on the Pacific and Atlantic Coasts simultaneously, we had to settle the Delaware district strikes. This matter was handled by Vice-chairman Stevens. A 10 per cent. increase in wages was granted, with the understanding that any later award would be retroactive to November 2, 1917, the day on which the strikers resumed work.[1]

When the Macy Board returned to the East, late in 1917, it began hearings of its own. I was disappointed that the Board had not standardized piece-work rates on the Pacific Coast. The step taken by the Board in this direction in the Delaware district certainly was correct, especially since about 60 per cent. of our ships were built on the Atlantic seaboard. On the other hand, when the Board agreed that, "under no circumstances" would piece-work rates be lowered during the course of the war, I felt that it was not taking into account either the possible duration of the conflict or the probable measures to reduce the cost of living that might be taken by the government. It is a matter of history that the rules which aimed to settle rates, especially those paid for piece-work, constantly

[1] The retroactive feature was particularly unfortunate. The retroactive pay legally accrued even though a worker left shipyard employment. One can imagine the difficulties into which the Macy Board was plunged by this circumstance alone, in view of the huge labor turnover. Many of the strikes of 1918 were due to the difficulty in settling a retroactive pay policy; and the possibility of strikes always loomed up because some of the awards of 1917 and 1918 had actually expired before the Board had decided its policy. When the awards of October, 1918, were made, after the Labor Policies Board had been fruitlessly established, the question of retroactive pay was more easily settled. "There was never a time, however, when a considerable part of the work of examiners did not have to do with questions of retroactive pay, and such questions continued to arise for months after the Board dissolved." (Bureau of Labor Statistics. Bulletin 283. History of the Shipbuilding Labor Adjustment Board, 1917–1919, p. 51.)

were violated; and more particularly by the new yards, which had to compete with the old in recruiting labor. The Macy Board relied entirely upon the Fleet Corporation for the enforcement of wage and piece-work agreements. It was extremely difficult to prove that a shipyard had resorted to the practically undetectable procedure of adding a certain number of fictitious rivets to those actually driven, or of paying lump sums irrespective of the amount of work done. These violations, despite the Fleet Corporation's arduous efforts to check them, continued up to the signing of the armistice. Even had it been possible for the Fleet Corporation to prevent violations, we were confronted with the fact that the Macy Board had been empowered to establish minimum rates only.[2] One yard always could steal labor from another, by paying a higher scale than that fixed by the Macy Board. These violations of the Macy Board's decisions were predictable at the very outset.

CONSEQUENCES OF THE MACY BOARD'S POLICY

In reviewing the work done by the Macy Board, I wish to express my regret that it did not endeavor to make the shipyard owners pay a definite part of the wage increases which it granted. Wherever there was a shortage of men, employers tacitly encouraged workers to demand more than the Board was willing to grant. And why not? The Fleet Corporation was paying the bill for increased wages. Nor could there be any incentive on the part of the employer to heighten efficiency. So long as the government assumed his increased labor costs, why should he produce more work per man, per hour, or per day? What inducement had he to establish harmonious relations with his men, if the Macy Board made its own arrangements

[2] On September 5, 1918, the Emergency Fleet Corporation declared the rates of the Shipbuilding Labor Adjustment Board to be maximum as well as minimum. The armistice was signed soon after, so that the declaration could hardly be made effective.

with them? Economically, the Macy Board doubtless acted wisely, in most instances. Psychologically it was wrong. There must be incentive and also just reward, in any industrial enterprise; and this fundamental fact the Macy Board practically ignored. It was only by making the most glowing promises to these men, that they were kept at work during the trying summer of 1918. It was practically impossible to develop ship-builders, at low cost, in the face of such tendencies.

Nevertheless, I must express the utmost admiration for the work done by the Macy Board in studying such recondite matters as retroactive pay, learner's and journeymen's rates, classification of workers, competition for labor, uniform piece-rates, and the relation of cost of living to wages. Indeed, I doubt if any of the numerous labor adjustment boards created during the war, on behalf of various governmental agencies, considered these questions more thoroughly and effectively than did the Macy Board. What I contended from the start was that if the Fleet Corporation paid all the increased wages, managers would be indifferent and inefficient, thereby seriously affecting our production. The Macy Board, in its published report, frankly stated the results of its policy, as follows:

(1) Acceptance by the Government of the obligation to reimburse wage increases tended to undermine the responsibility of builders for holding down costs.
(2) Whatever of normal employer psychology was retained by the more conservative builders was continuously being torn down by the competition of the newer and more speculative yards.
(3) The reaction of the new conditions upon the builders created a situation in which practically no responsibility for initiating machinery of enforcement could be left with the employer.[3]

Dr. L. C. Marshall, who succeeded Coolidge, was a professor in the University of Chicago who had made

[3] Bureau of Labor Statistics. Bulletin 283. History of Shipbuilding Labor Adjustment Board, 1917–1919, p. 50.

a mark for himself in drafting a national labor policy and in trying to have it adopted. In my opinion, he did more than any other man to harmonize the discord that prevailed in the yards.

I am convinced, however, that our publicity work, our reserve of shipyard volunteers, our persistent and systematic appeals to the patriotism of the workers and our word-pictures of consequences that must ensue if ships were not forthcoming at top speed, averted more strikes than did the wage increases of the Macy Board. If we had fewer labor troubles than the British shipyards, it justly may be attributed to the appeals we made to human hearts—in making employers and employees together realize that they, also, were on the industrial firing line; that they were toiling in a common crucial cause; that without ships we might lose the war—and with it all that America held dear!

In all of these matters, we had the coöperation of Samuel Gompers, President of the American Federation of Labor. Of course, Gompers was very alert and insistent upon obtaining the full rights of labor, as construed by him. While pressing these demands with all the ardor and vigor characteristic of his long and successful career as the head of American labor, we never found him unduly obstinate. He always was ready and willing to coöperate and to reach an agreement that would enable us to carry on our work. Had he been a man of narrower vision and more selfish motives, we might have encountered obstacles extremely difficult to overcome. Like many others, I had at times entertained the feeling that Gompers was playing his own game. During the war, however, notwithstanding his zeal in promoting the interests of the millions whom he represented, I came to regard him a loyal American first and a leader of labor afterwards. I have felt that we had the personal sympathy of Gompers, particularly in the matter of strikes affecting our shipbuilding program; and in solving other questions seri-

Commission de législation Internationale du travail

Samuel Gompers.
President

Paris - février - 1919

INTERNATIONAL LABOR BOARD

M. VANDERVELTE, MINISTRY OF LABOR, BELGIUM; M. COLLIARD, MINISTRY OF LABOR, FRANCE; SAMUEL GOMPERS, AMERICAN FEDERATION OF LABOR, UNITED STATES; GEORGE N. BARNES, MINISTER OF LABOR, GREAT BRITAIN; M. LOUCHEUR, FRENCH MINISTER OF INDUSTRIAL RECONSTRUCTION; M. MAHAIM, BELGIAN DELEGATE; EDWARD N. HURLEY; SIR MALCOLM DELEVIGNE; GEORGE BERRY; EDWARD BENES, MINISTER OF FOREIGN AFFAIRS, CZECHO-SLOVAKIA; HENRY M. ROBINSON, AMERICAN DELEGATE; H. B. BUTLER; ARTHUR FONTAINE, FRENCH MINISTRY OF LABOR; LEON JOUHAUX, GENERAL SECRETARY, CONFEDERATION GENERALE DU TRAVAIL, AND OTHER DELEGATES REPRESENTING CUBA, SOUTH AMERICAN AND OTHER COUNTRIES.

ously involving the winning of the war, Gompers always demonstrated his loyalty.

At the Peace Conference in Paris, I served with Gompers on the International Labor Board. I represented business. Loucheur of France, Barnes (member of the British Cabinet without portfolio) and other prominent men, were members. Gompers was elected Chairman. The proposal of radical labor members with regard to the control of the world's output of coal by the labor unions, which would give the unions immense power in the event of a general strike, did not appeal to me. I asked Gompers if he was in sympathy with a movement of that kind. He replied, "Absolutely No!" He added that, in this respect, workmen of America had nothing in common with workmen of European countries; that American workmen enjoyed far better living conditions and higher wages, and that their outlook was hopeful. On the other hand, he said, in many European countries (including Russia) workmen were underfed, their living conditions were bad, and that their children had not the opportunities afforded to the children of American workmen. He further declared that one of the reasons why European countries could raise large armies in a comparatively short time was the fact that soldiers were better fed and clothed than civilian workmen, and therefore many of the latter were willing to enter the armies in order to improve their personal conditions.

CHAPTER XXI

ALLIED SHIPPING PROBLEMS

Even Great Britain did not realize at first to what extent it would be necessary to ration her population and to utilize shipping exclusively for military ends. She moved slowly toward a more or less despotic regulation—altogether too slowly, as we now look back upon the years of the war. Indeed, it was not until the last year of the war, when all the allied and associated governments realized the futility of the past independent control of shipping, that substantial progress was made in supplying their armies and their populations with what was needed. Perhaps this delayed realization may be attributed to the lack of any military precedent that could have served as a guide in the difficult undertaking to organize the shipping of the world so as to serve military rather than economic purposes; and also possibly to the fear at that time that any sacrifice of shipping to serve an interallied purpose might, after the war, lead to the loss of some previously long-enjoyed national, economic advantages. Nearly four years were consumed in breaking down nationally-vested interests in sea-borne trade and proceeding from national regulation of charters and rates to an interallied policy of handling the ships of the world as one great fleet that steamed hither and thither in accordance with the plans and commands of one single set of brains—The Allied Maritime Transport Council.

REGULATION BY CHARTERING COMMITTEES

In 1916 Great Britain created a chartering committee which fixed the rates at which neutral ships were to be employed as soon as they came within

British jurisdiction. Profiteers were curbed. Economic pressure was exerted on the neutral countries contiguous to Germany and Austria, and concessions were made in relaxing the blockade to obtain large assignments of neutral tonnage.

Organized primarily to cope with neutral shipping, the British Chartering Committee could not deal internationally with ships; that is, in the sense of employing them solely for the purpose of supplying food and other necessities to the allied populations, and munitions and military requirements to the allied armies. This committee was composed of shipping men; and shipping men are not deemed competent to determine, without expert assistance, what supplies are more necessary than others in time of war. A body of international authorities was needed to survey the world supply of essentials and to determine the local needs of each country and of its army, in order that the shipping of all allied countries could be operated as a unit on a unified basis and thereby avoid waste and competition. Thus only was it possible to decide how much tonnage or how much food and supplies, as a whole, should absorb tonnage as compared with the essential military commodities.

While lacking an authoritative international body of this kind, the Allies not only were playing into the enemy's hands but were competing for supplies even with one another! Such competition had been unavoidable, because each country had acted more or less independently in importing food and raw materials. Instead of coöperating to the utmost, we found the Allies jealous of one another, other countries suspecting that Great Britain was withholding vitally-needed support, and that one Ally had over-reached another. This was particularly true of shipping.

"Ships were therefore often allocated not in accordance with a plan, but by panic, and sometimes by a

competition between panics, with all the attendant dislocation and waste to be expected."[1]

ALLIED MARITIME TRANSPORT COUNCIL

In the year that the United States entered the war, the Allies had reached the conclusion that it was suicidal to permit each country individually to borrow tonnage from Great Britain and then to use it as each pleased. An important conference was held in Paris, on November 3, 1917, a getting together of ministers to draft a program of international coöperation. At this conference Great Britain and her Allies concluded that all available tonnage must be employed for common purposes, mainly for the allocation of food, irrespective of whether or not the United States joined in this agreement.

The Paris War Conference occurred shortly afterward. Colonel House headed the American delegation, known as the House Mission. Vance C. McCormick was selected to represent the War Trade Board. Bainbridge Colby was named to represent the Shipping Board. He was to explain our progress in acquiring floating tonnage, as well as our ship-building program. General Tasker H. Bliss, later a member of the Peace Commission, accompanied the delegation as its military adviser. His well-seasoned judgment was of great aid to the Mission in reaching its decisions. Salter, in his "Allied Shipping Control," describes the Paris Conference as "The most impressive expression the war has seen of both the range and unity of the allied effort." One of the outcomes of this conference was the enunciation, in December, 1917, of certain principles upon the subject of tonnage, summarized as follows:

(*a*) To make the most economical use of tonnage under the control of all the Allies;

(*b*) To allot that tonnage as to the different needs of the Allies in such a way as to add most to the general war effort;

[1] Rublee: "The League of Nations" (Macmillan). 1920, p. 33.

(*c*) To adjust the programs of requirements of the different Allies in such a way as to bring them within the scope of the possible carrying power of the tonnage available.

In setting up these principles, the British had urged the formation in London of an Inter-Allied Maritime Transport Council for the purpose of controlling world shipping.

Several weeks later, and after our delegation had returned home from the Paris War Conference, the Allied Maritime Transport Council was brought into being, based upon the principles proclaimed at the conference. For any one in authority, in the United States, it was difficult to realize the potentialities that lay in the Council. The President had been opposed to having our Government maintain representatives permanently on any of the prominent war councils in Europe. He felt that it would be only a question of time before the American member, being out of touch with the American situation, would be unduly influenced by the atmosphere in which he was working and would become more or less pro-European—or at least pro-British, in his views. I urged, however, the great importance of having a member on this body, and the President finally agreed that we should have a representation on the Council, but that such representation should be limited to one member.

We selected Commissioner Stevens, Vice-chairman of the Shipping Board, as our representative. He was thoroughly familiar with our shipping situation and our building program and ably represented the Board on the Council. He had the practical knowledge and also an international viewpoint that were essential.

With characteristic energy, Stevens immediately proceeded to organize a staff of about thirty experts, which included George Rublee, Dwight W. Morrow, L. H. Shearman, J. R. Gordon, Professor J. A. Field of the University of Chicago, Professor Davis of Harvard University, J. D. Greene, L. H. Dow, C. D. Dutton,

J. P. Cotton, L. P. Sheldon, G. S. Jackson, A. M. Patterson, F. K. Nixon, H. W. Boyd, Lucius P. Ordway, A. D. Whiteside, L. I. Thomas, Commander Paul Foley, U.S.N., and Major M. B. Dunning, U.S.A. These experts served as the American representatives on the various program committees, appointed to make careful economic studies of national resources and needs, and to report their findings. Soon after this body had begun its work in Europe, it became apparent that another delegate would have to be appointed, to sit on the Council with Stevens, in accordance with the original plan. George Rublee was selected by the President, in July, 1918. Stevens and Rublee sat with the ministers of Great Britain (Lord Robert Cecil and Sir Joseph Maclay); of France (M. Clementel and M. Loucheur); and of Italy (Sig. Villa and Sig. Crespi). In addition to serving on the Council, Rublee also served on what was known as the Allied Maritime Council Executive, a body authorized to carry out recommendations of the Council if no national opposition were encountered.

Provision had been made for two main sections of the Allied Maritime Transport Council, the first section military and the second one economic. The second section was to deal through about twenty program committees. Of these the "Special Committee for Maritime Transport and General Imports" was of most concern to the Shipping Board. There were other councils also, to survey the respective needs of the various countries involved. The program committees and the councils reported to the Allied Maritime Transport Council, the higher and dominating body. Members of the Allied Maritime Transport Council secured the coöperation of their respective governments in carrying out the recommendations made. Each country retained control over its own ships, and the Allied Maritime Transport Council had no power to direct how tonnage should be employed. Therefore we real-

ized that the Allied Maritime Transport Council was purely an advisory body, formed for international coöperation.

The features to be particularly noted in the agreement whereby the Allied Maritime Transport Council was created, where: (1) The planning of the employment of ships (and not the pooling of ships under a single direction); (2) the independence permitted to each participating nation to follow the recommendations of the Council; (3) the utilization of tonnage solely upon the basis of the statistical studies and decisions made by the program committees of experts representing the several countries concerned.

The Allied Maritime Transport Council convened only four times prior to the signing of the armistice, so that the bulk of the work to be performed became the duty of the program committees and of the executive. The program committees made the requisite studies of economic resources of each of the four European Allies, their imports and exports, their productive capacity, their food requirements, ships at their disposal, their financial condition and the relative urgencies of their needs. The programs thus formulated were necessarily always estimated as the minimum, owing to the lack of ships. Sometimes this estimate was further reduced by the Allied Maritime Transport Council, but always after full discussion with the program committees concerned. "Decision depended so largely on fact, that the finding of the fact almost inevitably made the decision."[2]

Not all of the program committees were formed at once. The shipping and economic problem to be envisaged was too vast for that. However, the Wheat Executive and some of the food committees were in full operation during the summer of 1918; and all the committees had been organized by the autumn of that

[2] "The League of Nations" (Macmillan). Article by Rublee, p. 44.

year, so when the armistice was signed twenty of them were dealing with as many essentials.

Everyone appreciated as the end of the war was approaching that the economic affairs of the world would be in a chaotic condition when fighting ceased. We considered ways and means to help stabilize the distribution of shipping and materials, as well as finished products, recognizing that unless there were full coöperation along those lines the unemployment of labor resulting from repatriation of soldiers might prolong the unsettled condition of the world. This matter was discussed with representatives of foreign governments. Early in September of 1918, Lord Reading had mentioned to me the subject of pooling American and British ships after the war. The idea did not impress me as a good one for the United States to adopt, and I did not believe it would get a favorable reaction from the President. I wrote to him, however, communicating Lord Reading's suggestion and found that his position was quite what I had anticipated it would be.

Under date of September 9, 1918, he started his letter of reply by saying "You are certainly a brick.[3] It is delightful to have dealings with a man who understands perfectly the spirit of everything you say, and just the right answer to give." He thanked me very warmly for my letters regarding the alarm of the British about the use of our shipping after the war. He expressed his deep interest in Lord Reading's proposal to have a conference with me about pooling our shipping with the British after the war, saying he thought the proposition extraordinary. He suggested that I tell Reading we were sure it would not be possible for us to make special arrangements with any one

[3] The President's many letters to me had a personal touch and were more than formal official communications. Usually they were addressed to me as, "My dear Hurley," and I prize them highly. They were my inspiration to carry on. Knowledge that the President was back of our every effort was most encouraging to our organization.

nation inasmuch as it was our fixed policy and principle to deal upon the same terms with all.

This question was constantly before us. During the first three months following the signing of the armistice, the British and our Board felt that there would be an enormous surplus of tonnage. The issue again arose as to whether or not something could be done to regulate world shipping. However, early in 1919 the demands for vessels became so great that there was a shortage of ships, and the matter of the pooling of them was thus automatically regulated by the great demand.

The question of forming a combination to control the distribution of the raw materials of the world never reached the point of discussion by a sufficient number of nations to become a matter of international importance.

CHAPTER XXII

FORCED TO BORROW BRITISH SHIPS

British members of the Allied Maritime Transport Council were so alarmed at our apparent unwillingness or inability to lend much needed aid, that in May, 1918, at the height of the shipping crisis Stevens sent Rublee back to Washington. Morrow returned at the same time. Upon their return Rublee and Morrow urged that the Shipping Control Committee withdraw more ships from non-essential trades and place additional American-controlled vessels into the common cause. I supported Rublee's argument.

While Rublee's visit was most helpful, it was not until September, 1918, that the United States definitely entered into complete association with the Allied Maritime Transport Council. Our own ships had not been forthcoming with the rapidity required by the change from the sixty- to the eighty-division military program. It was decided that we must borrow cargo-carriers from the Allies.

The first step necessary was to convince the British Government (from which alone we could hope to borrow tonnage) and the Allied Maritime Transport Council, that if the eighty-division program was to be carried out we would require Allied ships.[1] A further study had to be made of General Pershing's requirements, something much more nearly accurate and trustworthy than previously had been made. Fortunately, the representatives of the Shipping Board, Dwight Morrow and L. H. Shearman were present to compile the necessary evidence. I had sent abroad Mr. Charles Day, a most competent and dependable engineer who was associated with me as a liaison between the Shipping Board and the War Department, to

[1] See Chapter XIV for discussion of the eighty-division program.

gather similar information so that we could have the facts at first hand. He collaborated with Morrow and Shearman. General Pershing assigned Colonel J. A. Logan of his personal staff to give them such aid as they needed.

Morrow, Shearman and Day made careful estimates of the number of trucks, horses and supplies required by a given number of men, and also the daily poundage necessary to maintain a soldier at the front. They reduced military demands to terms of ship tonnage, and thus performed one of the most valuable pieces of statistical work of the war. Until that time, even the authorities in Washington had not been clearly informed as to our army requirements. With their experience and knowledge of large problems these men performed a real service for the Shipping Board, the War Department and the cause for which we were fighting.

Secretary of War Baker was then abroad, accompanied by a staff of well-informed experts and army officers. Among them was Brigadier-General Frank T. Hines, who as head of the War Department's Embarkation Service had charge of the shipment of troops and munitions. Baker presented to the Allied Maritime Transport Council the question of the additional tonnage necessary to maintain the eighty divisions during the latter half of 1918. His effective showing of the tonnage required to carry out this scheduled program proved most convincing.

It was definitely known at that time that there were not available enough American cargo-ships to maintain eighty divisions in France, and that it was difficult to maintain even the sixty divisions then on French soil or enroute to Europe.[2] With Hog Island and other fabricated-ship yards in full blast, we had every reason

[2] Although adopted, the signing of the armistice made it unnecessary to carry out the eighty-division program in accordance with the plans of the Supreme War Council.

to believe that we would be able to meet our supply obligations towards our troops for an eighty-division program during the latter half of 1919. But these great yards were not yet in a position to fulfill that which was expected of them, and until such time we would have to borrow tonnage from the Allies.

Secretary Baker and General Hines produced their own estimates and also tables prepared by Morrow, Shearman and Day showing that the United States had to supplement its own cargo fleet by 1,200,000 tons from August, 1918, which amount could be reduced 200,000 tons each month until February, when it could all be returned. This loan of tonnage would involve a reduction of 2,000,000 Allied imports in tons, even though the Allies already had cut their essential imports to what seemed to be the last pound. The Council was confronted with an immediate American deficit and also an Allied deficit for the whole cereal year which would reach its crucial point when the autumn harvests were to be moved. To meet our demands, the Allies would have to reduce their food imports from America and throw the burden of their deficit on the latter part of the cereal year. The Allied Maritime Transport Council—especially its British members whose government alone had any large number of ships—arose to the occasion with a generosity that should be emblazoned on the pages of every history dealing with the war. Of the 16,000,000 tons that the Council provisionally had allocated for arrival from September to December (seven million tons for food, including military oats, and nine million tons for munitions and raw materials) it was directed that 500,000 tons be diverted for the needs of the American army program during October, November and December—including the 200,000 tons previously arranged for directly with the British Government.[3]

[3] The signing of the armistice made it unnecessary to allocate the additional tons of shipping promised to America.

The lending of this tonnage was made possible partly because the Allies then were nearing the end of a cereal year, when food stocks were at their highest. But I must emphasize that the largest quantities of munitions and raw materials for making them were imported by the Allies at this very season, so that the sacrifice entailed may appear in its true light. More self-denial was demanded on the part of Allied populations. To appreciate the import of this, it must be understood that at one time the British were forced, for lack of fodder, to consider seriously the necessity of slaughtering their farm animals. Yet there was no bargaining as to the exact amount of tonnage we were to supply later when our yards were turning out ships —merely an adequate assurance of closer coöperation with the Allied Maritime Transport Council. Following this arrangement there prevailed the fullest coöperation on our part with the Allied Maritime Transport Council.

Stevens and Rublee were handicapped in their work, as they had to keep us informed by cable, and in that cumbrous way to obtain consent of the Shipping Board to carry out the proposals of the Council. This doubled the hardship of their task. The great distance between us and our delegates made it difficult for us to grasp the underlying reason for the policies advocated. Moreover, never before had the United States entered into such a close military and economic relationship with Europe. Viewing European entanglements with traditional misgiving, America did not at first see eye to eye with the Allied Maritime Transport Council. Under most trying conditions Stevens and Rublee rendered great service to the cause.

The Allied Maritime Transport Council passed out of existence as the result of a decision of the Supreme Economic Council on March 24, 1919, at which time the question of the Allied organization for dealing with

shipping problems came up for discussion. An Allied shipping committee was delegated to convene in Paris to advise the Supreme Economic Council on matters of general policy and to serve as the medium of communication for all shipping questions. The "Executive" of the old Allied Maritime Transport Council was reconstituted to sit in London to deal with the administration of enemy tonnage and with the provision of tonnage for liberated countries. Mr. E. C. Tobey represented the Shipping Board on this London "Executive." What occurred was a merging of the Allied Maritime Transport Council with the Supreme Economic Council.

CHAPTER XXIII

MAKING SEAMEN OUT OF LANDLUBBERS

One of the most difficult matters involved in the operation of the growing fleet was that of finding officers and crews. We had few ship-builders before we began to build the emergency fleet, and because we had few ships we had few sailors. Outside of New England, where sea-faring was deep-rooted in many generations, the sea never has appealed strongly to American youth. For many years, a majority of the mariners sailing under our flag have been foreigners. To Americanize our merchant marine, such as it was, the Seamen's Act of 1915 was passed. Although a sailor's life on shipboard was made more attractive by the assurance of better wages and working conditions, the Act did not greatly augment the number of American seamen. Since men can not be legislated on board ship, we had to recruit them and then train them by methods evolved by ourselves.

A distinction must be drawn between the crews of merchantmen taken over by the Navy and those that operated Shipping Board vessels. Cargo-ships taken over by the Navy lost their status as merchantmen, even though they were engaged solely in carrying supplies. Transports and most of the other vessels traversing the war zone were Navy-manned, and operated by the Naval Overseas Transportation Service, though a large number of ships were taken through the war zone by merchant crews. Of the seven million deadweight tons constituting the United States deep-sea fleet at the close of the war, about four and one-half million tons were manned by civilian crews, and the rest by the Navy.

Just as we had to create shipyards on waste ground

and new ships from the keel up, so also we had not only to recruit officers and crews but were obliged to train them for sea duty. Mr. Henry Howard, of Boston, was appointed Director of Recruiting Service. Howard had considerable sea experience and knew what was expected of deck officers and crews. He proceeded to set up an organization that consisted of six divisions: (1) a Field Agent who had charge of recruiting; (2) Navigation and Engineering schools for training deck officers and engineers; (3) an Accounting and Systematizing Bureau; (4) a Sea-training Bureau, for the training of sailors and men who were not officers; (5) a Selective Service Law Bureau; and (6) a Sea Service Bureau, which was a registration and placement division. Captain I. N. Hibberd, a former shipmaster, who had given an excellent account of himself as Supervisor of the Sea Training Service in California, subsequently succeeded Howard.

HOW SEAMEN BECAME DECK OFFICERS

The first work undertaken was the training of deck officers. The schoolship method was abandoned at the outset, because in the emergency that faced us we could not send recruits to sea for many months. To gain time, we took men who already had been to sea in subordinate capacities and were ambitious to become officers. We gave these men a short intensive period of training in special navigation schools along the Atlantic and Pacific coasts, under the best teachers available, including experienced sea-captains as well as members of the scientific faculties of the leading technical schools and universities. Dean Alfred E. Burton of the Massachusetts Institute of Technology, who once had been connected with the United States Coast and Geodetic Survey and was an experienced navigator, organized the teachers of navigation and mapped out the course of instruction.

By the latter part of 1918 we had twenty of these schools, in seven sections of the country, corresponding with the geographical divisions of the United States Steamboat Inspection Service. Admission to the schools was made as easy as possible. If a man were not younger than eighteen nor older than fifty-six years, and if he had at least two years' sea experience, he was admitted almost automatically. But granting him a license was another matter. Before he could become an officer, he had to pass an examination of the United States Steamboat Inspection Service. A total of 5784 graduates from the navigation schools received licenses as masters, and as first, second or third mates, between June, 1917, and June, 1920.

Astonishing as it may seem to those who have read sea novels in which officers are evolved out of cabin boys only after years of service, by this system we produced acceptable officers in six weeks. For those who needed it, we gave an additional two months at sea under the instruction of regular officers. We charged no tuition fee, nor did we allow a subsistence fee. Had we adopted the schoolship method of training, it would have cost us not only months of time but also about one thousand dollars per man. The system adopted reduced the training period to six weeks and the cost to about $55 per deck officer. In fairness to the schoolship method, I must point out again that all deck-officer graduates had two years' previous sea service.

OILERS AND TENDERS BECOME ENGINEER OFFICERS

As soon as the navigation schools were in a fair way of turning out deck officers, we planned to train men who could take charge of boiler- and engine-room forces. Professor Edward F. Miller, of the Massachusetts Institute of Technology, organized the necessary engineering courses, with the aid of such able engineer-

ing instructors as Professor E. O. Eastwood, of the University of Wisconsin; Professor F. H. Vose, of the Case School of Applied Science; Professor William J. Dana, of Johns Hopkins University; Professor C. E. Shaw, of Philadelphia; Professor James Roberts, of Tulane University, and Professor F. L. Pryor, of Stevens Institute of Technology.

Marine oilers and tenders, engineers on Great Lakes steamers, and stationary and locomotive engineers were admitted to the engineer schools for a course of four weeks. Those who needed additional practical experience received their licenses only after they had spent six months at sea. From June, 1917, when the first engineers' school was established, to June, 1920, 3858 men were graduated; and of these, 185 were licensed as chief engineers, 519 as first assistants, 1478 as second assistants and 1676 as third assistants. It cost us only $65 per man to train these licensed engineers.

Many of the new ships were driven by turbines, with which such recruits as locomotive engineers and others were not familiar. Chief engineers were chosen from those who had registered with the Recruiting Service, and were sent immediately to plants where the turbines were being manufactured. There they watched the progress of an engine, from the beginning of construction on through its installation and operation. The turbine course lasted six weeks. A similar plan was adopted to familiarize assistant engineers with boiler construction.

TRAINING THE SEAMEN WHO MANNED OUR SHIPS

By the autumn of 1917, ship construction had advanced so that we had to think of training men before the mast. Plans were drawn up and approved. On December 12, 1917, the Sea Training Bureau of the Recruiting Service published its readiness to receive

applications from American citizens—mere "landlubbers"—willing to take a course which would fit them for sea service as sailors, firemen, coal passers, oilers, water tenders, cooks and stewards. The applicants were trained on seven ships in Atlantic waters, four in Pacific waters, one at New Orleans and one at Cleveland.

The thousands of men that we needed could be obtained only with the aid of recruiting offices located in every important community. Mr. Louis K. Liggett, President of the United Drug Company, patriotically came to our assistance by placing at our disposal the 6854 stores of his far-flung selling organization. His store managers were sworn in as recruiting agents at the usual $1.00 a year. The country must have saved literally millions through Liggett's generosity, both in office rent and in salaries. A well-planned publicity campaign brought thousands of applicants to these stores. The newspapers generously devoted much space to the opportunities held out by the merchant marine service. During the first three months, 7500 applications were received. The peak of the enrolment was reached in September, 1918, when 11,000 students were registered! By November 8, 1918, three days before the signing of the armistice, the total reached 32,014.

The men enrolled were given a preliminary training on schoolships for about six weeks, after which they were placed on ships with regular crews, in the proportion of four recruits to six able seamen. Thus our graduates acquired their sea-legs. It is an interesting fact that 75 per cent. of these sailors came from the North Atlantic section, and the remainder equally from the Pacific and Great Lakes regions. Only a negligible portion came from the strictly inland states.

It was apparent that the Sea Service Bureau, by which sailors, firemen and messmen were trained, should be developed as a national shipping agency.

Hence the bureau was authorized to take over the shipping offices of the Division of Operations, which during the war had charge of enlisting crews for all Shipping Board vessels. This consolidation avoided duplication of effort, gave the Recruiting Service control of the outlet for its graduates, and created what then promised to become a national shipping agency.

Before the war, about 70 per cent. of the crews on American vessels were foreign-born. There can be no question that the Recruiting Service did more than any other agency since the Civil War, more even than the Seamen's Act, to Americanize the merchant marine.

CHAPTER XXIV

PORT CONGESTION

The late Mr. A. H. Smith, president of the New York Central Railroad, often was quoted to the effect that it cost more to handle a barrel of flour in New York City than to bring it from Chicago.

The congestion in New York was such that in the winter of 1918 the lines of vehicles at the piers, waiting for a chance to load, were so long that the teamsters would unharness their horses, stable them overnight and resume their vigil the next day, in order not to lose their places. It happened time and time again that at some New York terminals eleven and twelve hours were consumed in loading one truck. No wonder the condition at New York amounted almost to a blockade. The system of priority that had been worked out by the railroads did not help these matters. Coördination in loading and unloading of steamers was practically non-existent.

We found that the enormous fleet could not be operated with maximum efficiency unless harbor facilities and their relations to ship and railroads were studied and improved. While the mechanical equipment at a few ports (New Orleans, San Francisco and Seattle, for example) was admirable, the conditions that existed along the Atlantic seaboard, and particularly at New York, were appalling. It was clear that while we could not build and equip new terminals in less than a decade, at least we could coördinate more intelligently the movement of freight by railways and ships (for those two must always be considered together). Therefore, on May 23, 1918, a resolution was passed by the Shipping Board creating the Port and Harbor Facilities Commission.

The Chairman of the original Commission was Mr. Edward F. Carry, who as Director of Operations of the Shipping Board appreciated the necessity of better port and harbor facilities. His associates on the Commission were Mr. S. M. Felton, Vice-chairman; Rear Admiral H. H. Rousseau, U.S.N.; Captain A. C. Hodgson, U.S.N.; Mr. B. L. Winchell; Mr. George S. Dearborn and Mr. John H. Rosseter. Mr. T. C. Powell succeeded Winchell. Among others who served upon the Commission were Major-General William M. Black (subsequently chairman); Mr. R. A. C. Smith, shipping expert; Captain F. T. Chambers, U.S.N.; Mr. Bion J. Arnold, consulting engineer; and Mr. M. J. Sanders. Under Carry's chairmanship, the Commission proceeded at once to provide new dry docks and better repairing and bunkering facilities which relieved the situation materially.

The distribution of supplies to American forces in France primarily of course was a problem of ships. After ships, it was one of ports, railroads, motor and animal transportation, and storage. The ports and railroads in France were crowded with war traffic. The railways were in rather dilapidated condition. In the summer of 1918, the long delays in discharging cargos in France caused serious concern to both the Shipping Board and the War Department. We began to doubt if the port and rail facilities of France would be able to distribute the tremendous cargos that our ships were ready to carry over for the increased army Pershing was demanding. The Shipping Control Committee was reluctant to put more ships into service if more delay would be the only tangible result.

While American engineers added at French ports eighty-three new berths, together with warehouses and dock equipment, it was necessary to increase their carrying capacity of the railroads by building nearly a thousand miles of new trackage, and by providing additional switching facilities and new rolling stock.

Those problems were not completely solved. There never were enough piers to prevent loss of time by vessels waiting to dock. But the capacity for handling American cargo was increased from 10,000 tons daily, in the spring of 1918, to 30,000 tons daily by November 11th, the day of the armistice; and the waiting-time of ships was made shorter than that in commercial practice. The railway facilities never were wholly adequate; but with the help of Felton's locomotives and freight cars, shipments from this side were delivered to the interior about as rapidly as they were landed.

The actual engineering conditions that prevailed at the principal English ports were surveyed by Chief Engineer Captain Chambers for the Commission. Associated with him were Governor Oswald West of Oregon and Mr. Arthur J. Sinnott, now editor of the *Newark News*. Captain Chambers' study of the British ports is considered the most authoritative ever prepared.

NATIONAL ADJUSTMENT COMMISSION

In June, 1917, the Shipping Board entered into negotiations with representatives of the longshoremen and of the steamship companies, and worked out what came to be called the "longshoremen's agreement." This agreement, signed early in August, 1917, fixed wages, hours and labor conditions in loading and unloading vessels. The basis of the agreement was voluntary arbitration of all disputes during the period of the war, an ideal that was not fully realized. But employers, employees and governmental officers so ardently strove to attain it that it never dropped below the horizon.

The original membership of the National Adjustment Commission, provided for in the agreement, was as follows: Commissioner Stevens, representing the Shipping Board, Chairman; Mr. Walter Lippmann, representing the War Department; Mr. P. A. S. Franklin

and Mr. H. H. Raymond, representing deep-sea and coastwise shipping interests, respectively; and Mr. T. V. O'Connor (now Chairman of the Shipping Board), President of the International Longshoremen's Union, representing that organization. Stevens resigned and Mr. Robert P. Bass succeeded him as chairman. He remained head of the Commission until January 1, 1919, when Professor William Z. Ripley was named to serve as representative of the Shipping Board.

Originally formed to negotiate with longshore labor, the Commission soon handled matters involving all classes of labor employed in ship operation. It had jurisdiction on the Atlantic Coast, the Gulf of Mexico and the Great Lakes. Occasionally it also arbitrated disputes on the Pacific Coast. Expansion in operation of ships not being as rapid as in construction, the Commission could better handle the question of operation wages and could keep them in line with living costs.

The National Adjustment Commission well served the country and the Shipping Board. While disputes developed from time to time, and a few of the men did "walk out," there were no concerted strikes and the operation of ships suffered no serious interruption. General industrial conditions in longshore labor at the time the armistice was signed were healthier than those in most industries, and wages were reasonable. In this work, we could count upon the fairness, loyalty and patriotism of men like T. V. O'Connor, a keen, forceful man who commanded the whole-hearted respect of the Longshoremen's Union.

CHAPTER XXV

PROTECTING SHIPS FROM SUBMARINES

At the height of its terrible destructiveness, the German submarine was a far more formidable weapon than it had been at the beginning. Just as the airplane of 1917 and 1918 was a very much more efficient flying machine than that of 1914, so the submarine of 1917 and 1918 developed a size and a cruising range that were unforeseen at the outbreak of the war. The early German submarines, similar to those of other nations, were comparatively feeble instruments. More ships were sunk by mines than by torpedoes in the early months of the war. But when the blockade that the Allies declared against German and neutral ports tightened, when it became more difficult to obtain the essentials of life and of war through the aid of merchants in neutral countries, Germany realized that the submarine was her trump card. She proceeded to play it with disregard of all the rules of humanity. What was little more than a navy toy in 1914 became a fearful weapon of destruction in 1917.

The Fleet Corporation officials found it necessary to institute a system for replying to the many suggestions received on ship protection. After consultation with Mr. W. L. Saunders, Chairman of the Naval Consulting Board, a special committee was appointed consisting of Rear Admiral Rousseau (chairman), Mr. A. M. Hunt and Mr. William T. Donnelly. This committee opened offices in Washington and gave the most courteous and painstaking attention to letters and visits of inventors.

The Ship Protection Committee, as it subsequently was known, held regular meetings and patiently studied the hundreds of proposals that were submitted in

writing or presented in person by patriots who burned with indignation at the outrages committed on the high seas, and who conceived it to be their duty to sink the submarine in ways usually more ingenious than practical. I have reason to believe that the Committee considered every tried and untried scheme of combating submersibles. I know that I frequently turned to it for advice.

PROTECTIVE METHODS FINALLY ADOPTED

The Committee finally boiled down protective measures to the following:

1. *Arming Merchantmen.*—This proved to be, on the whole, the most effective method. Since it was purely military in character, it became the duty of the Navy to supply guns and gun crews.
2. *Smoke Screens.*—Smoke screens enabled a ship to conceal herself and thus to steam in a direction which for a time could not be observed. This method was one that had been highly developed before the war by the Navy in evolving effective destroyer tactics, but it was not easily applied by a single ship.
3. *Camouflage.*—It was the popular impression, during the war, that dazzle-painting or camouflaging made a ship invisible. No system of painting manifestly could accomplish any such miracle. Camouflaging had for its object the deception of a submarine commander; it was supposed to make it difficult for him to determine in which direction a ship was steaming. The British had made elaborate studies of what was variously called "low-visibility," "dazzle" and "camouflage" painting, and the Committee advised us to protect our ships by various colored patterns. This decision was put in effect by both the Shipping Board and

the Bureau of War Risk Insurance, of the Treasury Department. So important was camouflaging that it gave employment to a large number of camoufleurs in the Construction Division of the Fleet Corporation. Each of eleven geographical districts in which the Fleet Corporation had offices had its staff of camouflage experts.

Camouflaging was started under the direction of Mr. Henry C. Grover. Soon he had 150 men at work under his direction, classed as district camoufleurs, camoufleurs and assistant camoufleurs. There were also resident camoufleurs in sub-districts. Most of these men were graduates of a training course which we started in New York in 1918. An extraordinary amount of ingenuity was manifested both in experimenting and in testing the efficiency of designs. Camouflage theatres were used to study painted models under conditions which approximated those that prevailed at sea.

4. *Smokeless Coal.*—Since a vessel revealed her position on the horizon by the smoke that poured from her funnels, it was recommended that she burn smokeless coal in the war zone. The practice was only precautionary. Smokeless coal would not save her if she were sighted and if a submarine pursuer were swift enough to overhaul her. Burning smokeless coal was so good a precaution, however, that both the Shipping Board and the Bureau of War Risk Insurance, of the Treasury Department, insisted upon it.
5. *Depth Bombs.*—Attacking submarines with depth bombs became more and more the vogue as the war progressed. But the ship that dropped the bombs had to be armed to fight off her attacker and compel him to submerge before she could

proceed to destroy him under water. There was every reason to believe that not a few submarine crews met a ghastly death under water when thus attacked, but it was impossible to determine at what depth a bomb should be exploded. Although the method had its limitations it was adopted so far as practicable, the Navy assuming responsibility for the depth-bomb equipment. Depth bombs and their effect were carefully studied by the Committee, and also by the Navy at Annapolis and at New London.

6. *Reserve Buoyancy.*—Experience in the British Navy with the so-called "blister" ships had shown that reserve buoyancy might save a hull after a torpedo attack. The Shipping Board immediately adopted the Committee's recommendations on this score and authorized the construction of the steamship *Lucia,* in accordance with the designs of Mr. Donnelly.

We gave particular attention to the proposals of such distinguished inventors as Thomas A. Edison and Hudson Maxim, both of whom had made special studies of the submarine problem. Some of Edison's plans were tested by the Navy but without results leading to anything of immediate and definite value. Maxim's plans never were carried out in actual practice, so they could not be subjected to a test. Maxim is known all over the world as an authority on high explosives and their action. He was the first man to succeed in devising an explosive (Maximite) which could be driven, in a shell, through armor plate and exploded within a battleship. The government thought so well of his formula as to purchase it for the use of the Navy.

Maxim engaged Mr. Morgan Barney, a naval architect of New York, to make the drawings and frame the specifications of his torpedo-resisting ship. In carrying out this particular plan, he intended to surround

the cargo with buffer-cylinders containing pulverized coal which could be drawn upon to fire the boilers. To keep the ship on an even keel, water was pumped in to take the place of the coal withdrawn. As occasion required, water or fuel oil was to be pumped into the spaces between the buffer-cylinders and the outer hull of the ship. If a torpedo struck the ship, the resulting blast would be absorbed, according to Maxim's theory, by the pulverized coal within the buffer-cylinders, by the water or oil between the cylinders and the hull, or by both, thus protecting the cargo itself. The cylinders also could be filled with a suitable bulk cargo, such as would absorb the violently expanding gases of an exploded torpedo. I have regretted that we never put Maxim's theory to the test. He devoted to this problem of ship-protection all his tremendous zeal and energy and his vast knowledge of explosives. That his theory probably was correct, I have no doubt. It was but an elaboration of the principle long employed by the Navy in protecting battleships against torpedoes by multicellular bottoms and oil-filled spaces running up the sides of a battleship.

Toward the end of the war we introduced what we called the "otter gear," from its fancied resemblance, when in use, to a swimming otter. It was a British invention, known as a "Paravane" in the country of its origin. The "otter gear," which earned for its inventor a knighthood and much money, was a kind of mine sweep, and therefore hardly an anti-submarine device. It had been observed that a ship rarely struck a mine head-on, but that mines usually exploded at the sides of the ships. The "otter gear" was a device connected by means of cables with either side of the ship at the stem, and pushed along by means of "brooms." Its nose projecting above the water resembled that of a swimming animal. The cables would catch the mine and sweep it to the nose, where it would be cut loose from its moorings. Thus released,

it could be exploded at a safe distance from the ship by means of gun fire.

As I look back at our efforts to thwart the submarine I must confess that our most effective protective aid was gun-fire. After the convoy was introduced for the protection of troop-ships, the submarine was not so formidable a menace as it previously had been. It could not cope with fast destroyers.

During the entire period of the European war the losses by enemy action in the American Merchant Marine amounted to 115 ships of 322,000 gross tons, while for the period of our participation in the war the losses from this source amounted to 94 vessels of 243,000 gross tons. These figures exclude losses by shipwreck and the like, and do not include Dutch ships or those seized from the enemy.

It was a long time before we were able to carry out all the recommendations of the Ship Protection Committee with anything like systematic care. Many of the unarmed ships had to sail boldly through submarine-infested waters; and even vessels armed and supplied with naval gun crews were at a disadvantage when pursued by the later, fast submarine cruisers. Vessels struck by torpedoes sank rapidly. In one case a ship went down in fifty-five seconds. Sailing ships fell ready victims to the U-boats, and for this reason we took them off the Atlantic lanes and employed them in the safe South American trade and in waters nearer home.

CHAPTER XXVI

EDISON, FORD AND OTHERS

Thomas A. Edison was desirous of having Henry Ford join the Shipping Board. So were the members of the Board. In furtherance of that desire, Mr. Edison and Mr. Ford called on me and discussed some of our problems. In addition to the Liberty motors Mr. Ford was building for aeroplanes, he had a plan to construct a number of small ships for the Navy and run them down to the water on sloping elevated ways. All the boats were to be alike, with standard parts. Quantity production was his objective. He began building the Eagle boats, but before he had advanced into real production the war was over. No man wanted to do his bit during the war more than did Ford. Officials of the Government, from the President down, felt that Ford was keen to be helpful. I knew that if I needed a friend or an adviser in connection with my official work I could call on him and always find him ready to help. But he declined to join our staff.

Mr. Edison had a trying experience with the Navy Department. He was much discouraged because it did not follow out his many suggestions. He had invented a smoke bomb that he thought could be used effectively on cargo-ships. It was to be fired from a gun, and when striking the water it would produce a smoke screen that would prevent a submarine from aiming its torpedo accurately and sinking the ship. Mr. W. L. Saunders, Chairman of the Protection Committee of the Council of National Defense, made an appointment with the President for Edison. The President listened very attentively to Edison's explanation of the bomb and was so enthusiastic about it that he said, "Well, Mr. Edison, I shall speak to

Daniels and have him go into this, right away." Edison asked, "What's that?" "I shall speak to Daniels," the President repeated, in a louder voice. "No, Mr. President," responded Edison, "I do not want to have anything to do with the Navy Department." The President was a bit embarrassed and replied, "Well, what do you suggest?" "Why," answered Edison, "if you will take it up with Hurley, I know that it will be started and finished."

The President sent for me. Of course it was out of my line; but I would do anything in reason, to be of service to Edison. I told the President I would be glad to do everything I could, but that the Navy Department would have to help work it out. I saw Secretary Daniels and Captain Pratt and asked them to join with us in making some tests. I regret that the tests did not prove as satisfactory as we would have liked. I saw Edison many times during the war, and each time profited by our contact. He was very anxious to produce something worth while, to prevent the sinking of ships by torpedoes. He devoted more time to this subject than to any other. If the war had lasted another year I feel that Edison would have invented a device that would have been helpful.

Shortly after Mr. Ford declined to join us on the Shipping Board, because he wanted to build Liberty motors and Eagle boats, I was invited by Mr. Edison to join him with Mr. John Burroughs, Mr. Ford and Mr. Harvey Firestone on one of their summer camping trips. I met them in Pittsburgh one Sunday morning in August, 1918. We left about noontime and started to motor through southern Pennsylvania.

About six o'clock in the evening everyone was anxious to locate a camp for the night. I was in the front automobile with Edison, the other cars following; but the equipment cars were slow and did not make very good time. As we came to a beautiful woods, Edison

Edward H. Harley John Burroughs Thos A. Edison. Henry Ford H. S. Firestone J. J. Barnes

suggested that we find the farmhouse and ask permission to camp there for the night. When we arrived at the farmhouse, I jumped out of the car and entered the farmyard. The farmer, an elderly man, greeted me pleasantly. When I told him who we were and what we wanted, he said "Why certainly, I will be glad to let you camp there." I continued to talk to him about the land and the crops in the vicinity, in order to pass the time while we were waiting for the equipment cars to arrive. When they came, we went about a half mile into the woods where a camp site was selected, which the others graciously named "Camp Hurley." Burroughs, Edison, Ford and Firestone immediately started to build a large camp fire. Each did his bit picking up dry limbs while the staff erected tents for the dining room and kitchen as well as an individual tent for each person. These were equipped with Edison batteries to supply electric light.

We had a wonderful evening. After dinner we sat around the camp fire and swapped stories. The others asked me many questions about President Wilson and the Shipping Board, about our progress and what we hoped to do. I replied by giving them the facts as I knew them. We then discussed the administrations of Presidents Taft, Roosevelt and Wilson, making comparisons of the different men and their individual traits. Burroughs was an ardent admirer of Roosevelt who, he said, was a great naturalist. He and Roosevelt had gone "birding" in Virginia two years before, and after spending a few weeks in the woods had found that among a large number of birds they had caught there were only two birds that Roosevelt could not name. Burroughs indicated, however, that he was not as enthusiastic about Roosevelt as he had formerly been, and he told this story:

After their trip, Burroughs promised Roosevelt that he would write a book about it. Five months later

Burroughs met Roosevelt, who greeted him by saying, "Hello, Burroughs, glad to see you. What of that book you were going to write about our 'birding' trip in Virginia?" "Well," responded Burroughs, "I have not had time to write it." They met again in a few months, when about the same conversation took place; and also later during that year, Roosevelt again asked, "How about the book, Burroughs?" Burroughs felt that Roosevelt was more interested in having the book written than he was in Burroughs' health. "Just because he was insistent, I am not going to write the book," was the way Burroughs wound up his story.

Of course, at that time Burroughs was over eighty years of age and probably was unduly sensitive regarding his health. Edison and Ford each told me that Roosevelt was very fond of Burroughs, and we all considered it merely an oversight on the part of Roosevelt that he omitted to inquire about Burroughs' health.

The liveliest man in the party was Ford, who indulged in a variety of stunts, including his jumping over the camp fire as it burned low. He was as nimble and lively as a boy of eighteen. All of his cares had been left behind. He was with his "Buddies," Firestone, Edison and Burroughs and he was having a mighty good time.

Edison asked me, "Hurley, why did that farmer hesitate so long to allow us to go into his woods?"

As a joke, I replied "Why, he had some difficulty with campers a short time ago. Some of his cattle were killed, and he naturally hesitated to allow more campers in." "Well," said Edison, "didn't you tell him who we are." "Yes," I said, "that's the strange part of it. When he hesitated about allowing us to go into the woods, I said to him 'Well, you know Thomas A. Edison, the great inventor, don't you? He is in this party.' 'No,' he replied, 'I never heard of him.' I was rather startled, and I continued, 'Well, you certainly know Henry Ford, the manufacturer of

Ford automobiles?' 'Ford?' he queried, 'What city?' 'Detroit,' said I, and he replied 'No, I never heard of him.' 'Surely you must have heard of Harvey Firestone, the tire manufacturer,' but he answered, 'Firestone? I never heard of him.' I then said, 'Well, my name is Hurley: I am Chairman of the Shipping Board in Washington. You certainly have been reading about me.' 'Hurley!' 'No, I never heard of you!' I was about to give up in despair, but chanced the inquiry, 'Have you ever heard of John Burroughs, the naturalist?' His eyes brightened and he exclaimed, 'Is John Burroughs in your party? Well, you go right ahead! I have just finished reading his last book!' "

When I ended the yarn, Burroughs chuckled all over, pumping his shoulders up around his ears. He laughed and said, "Huh, never heard of Edison, never heard of Ford! They had to have me with them to get them into the woods!" It was a standing joke from then on that Burroughs was the man whose name had to be mentioned to get what we wanted, because the rest of us were so little known throughout the country.

In his "A Strenuous Holiday," from which I excerpt with the kindly permission of the Houghton Mifflin Company, Burroughs describes what he calls "My Famous Camping Trip with Edison, Ford, Firestone and Hurley" as follows:

"At Pittsburgh our party was finally made up by the accession of Mr. Ford, Mr. Firestone, and his son Harvey, and Commissioner Hurley of the Shipping Board. Mr. Hurley was to be with us only a few days, to taste for himself the sweet and the bitter of roughing it—the promise which had lured his friends, Edison and Ford, into such an expedition. I hope he got a good mouthful of the sweet, at least that first night in our Camp at Greensborough, thirty or more miles southeast of Pittsburgh. The camp was in an ideal place—a large, open oak grove on a gentle eminence well carpeted with grass.

"Not much of the talk that night around the campfire can be repeated, but it gave us an inside view of many things we were curious about. The only question was the acute question of the hour, and we had with us the man who could give us first-hand information, which he did to our great comfort.

"How could we help freeing our minds about the Huns!

" 'We must win,' Mr. Ford said, 'and to do it we shall have to use up a lot of our resources. It is all waste, but it seems necessary; and we are ready to pay the price.'

"The next day one of the big cars—a Packard—had an accident—the fan broke and the iron punctured the radiator. It looked for the moment as if we should be delayed till a new radiator could be forwarded from Pittsburgh. We made our way slowly to Connellsville, where there is a good garage, but the best workmen there shook their heads; they said a new radiator was the only remedy. All four arms of the fan were broken off and there was no way to mend them. This verdict put Mr. Ford on his mettle.

" 'Give me a chance,' he said. Pulling off his coat and rolling up his sleeves, he fell to work. In two hours we were ready to go ahead. By the aid of drills, and copper wire the master mechanic had stitched the several arms on their stubs, soldered up the hole in the radiator, and the disabled car was again in running order.

"At Connellsville Mr. Hurley felt compelled to leave us to attend a Cabinet meeting in Washington on Tuesday. A keen and competent Government Official, we all agreed; whether Republicans or Democrats, who cared? In such times as these, party lines do not count. We are only loyal and patriotic American citizens."

The experiences I had on this trip gave me an insight into the characters of Edison, Ford, Burroughs

and Firestone. I can understand why they enjoy each other's society at any time, but particularly on these trips. They were so carefree they enjoyed everything—the country, the farm, the people and especially the food. Every meal was a picnic. At times they planned how they might improve their equipment for the following year and where they would go. The picture of the group with their signatures hangs in my office. It is a reminder of one of the most delightful outings I ever have had. My only regret is that I was called back to Washington suddenly and obliged to bid these great leaders good-bye.

CHAPTER XXVII

CONVOYING MERCHANT SHIPS ACROSS THE ATLANTIC

In convoying our munition-laden ships across the submarine infested Atlantic our Navy won new laurels. The whole-hearted coöperation which the Navy Department's officials gave to the Shipping Board and the Fleet Corporation is deserving of special commendation. Admiral W. S. Benson, Chief of Naval Operations, to whom was assigned the task of solving many convoy problems, was a genius in providing systems against the danger that always threatened our vessels.

Had it not been for the success of the Navy in affording safe passage across the Atlantic to our cargo-laden ships, the disaster which might readily have befallen our soldiers in the field would have been incalculable. All the great effort we were expending in seizing and building ships to help win the war would have been in vain. Because of the indecision of the British as to the advisability of a convoy, cautious action on the part of our Navy was necessary in putting into effect the most thorough plan ever devised to protect trans-oceanic cargo-vessels in time of war.

In the first stages of the war, convoy was not adopted because the German fleet was practically "contained," and the seas were reasonably free. Later the operations of German submarines made such protection necessary. The most effective method was the use of destroyers. As it obviously was impossible for destroyers to protect each vessel separately, the most economical way was to bring the protected ships together into convoy formation.

Despite its advantages, shipmasters and shipowners objected, at first, to the convoy system. Vessels huddled in a convoy were more easily fired upon

or torpedoed than when steaming alone. Coal was poor. Telegraph apparatus between bridge and engine room was not good enough. The better officers and seamen had been drafted in the Navy. Such were the Allies' arguments against the system. A reply, unheeded for a time, was found in the protected sailings organized as early as the end of 1916, between Norway and the Orkney and Shetland Islands, and in the French coal trade, where the convoy was successful.

In the spring of 1917, shipowners, charterers, insurance companies and governments were thrown almost into panic. Ship protection of some kind was necessary. But what form was this protection to assume? Various suggestions were considered—counter-mines, nets, listening devices, patrols. Some were adopted as palliatives; others were rejected summarily because they were untried and needed long and intensive development before they could be introduced with any hope of success. Naval patrols, in the more dangerous zones, were of little avail. The submarines avoided them; the prey sought was merchant ships.

EXPERIMENTAL CONVOYS

From the dates given, it will be seen that the convoy question was being considered by the British Admiralty simultaneously with the occurrence of those critical events that finally forced us into the war against Germany. We were drawn into the discussion of the convoy system before the advisability of adopting it in overseas transportation had been definitely settled. The British Admiralty had opposed convoys on the ground that there were not enough destroyers and other escorts.[1] But the arrival of our destroyers at Queenstown, and the promise of more to come, did away with this objection. So early in May, 1917, it

[1] Fayle: British Shipping During the War. Carnegie Foundation for International Peace. For a more detailed account of the naval difficulties see Jellicoe, "The Crisis of the Naval War," and Salter, "Allied Shipping Control."

was decided to test the possibilities of the system by running two experimental convoys from Gibraltar and Hampton Roads respectively. The Gibraltar convoy, of seventeen vessels, sailed on May 10, 1917, and arrived without loss. The Hampton Roads convoy, also of seventeen ships, sailed on May 24 and kept station so well that the Commodore, Captain Whitehead, was confident that the number of vessels safely could be increased. Four other convoys sailed from Hampton Roads with like success during June, and on July 2d a regular four-day series was inaugurated from that point. Still the British Admiralty had serious misgivings, and rightfully so, about the value of the convoy system until such time as an adequate force of escort vessels had become available.

During the early months of 1917, when the policies of our Government with regard to our future participation in the war still were under consideration (no specific plans having been previously devised) Admiral W. S. Benson, Chief of Naval Operations, and General Tasker H. Bliss, Chief of Staff of the Army, spent many hours in informal conferences discussing ways and means to meet the various major problems of each of the two services as they developed. Their chief desire was to bring about orderly and harmonious coöperation between the great war organizations developing under their guidance. The big problem was whether the Navy could transport army men, army equipment and army supplies to France without seriously handicapping the similar movement of navy men, navy ships and equipment and navy supplies to France.

As a result there was prepared by Benson and Bliss, and approved by President Wilson, an order assigning certain vessels to be commissioned in the Navy as transports; and directing in effect that the additional vessels necessary to be taken over for employment as transports be commissioned in the Navy. A division

was created in the office of Naval Operations to handle special duties pertaining to the fleet of large merchant vessels for which the Navy was to be responsible.

CRUISER AND TRANSPORT FORCES

In addition to manning and equipping its new fleet, the Navy began preparations to organize all transports and their escorting vessels under a single command. Rear Admiral Albert Gleaves, U. S. N., was designated as Commander of the Cruiser and Transport Force. All vessels then available for escort duty were ordered to report to him. As each transport was commissioned it became a part of Admiral Gleaves' command.

Troop convoys were routed from the office of the Chief of Naval Operations. First, the Convoy Commander proceeded to Washington, where in most cases he reported in person to the Assistant Chief of Naval Operations, Captain (now Rear Admiral) W. V. Pratt. Together they studied the latest reports on submarine operations and other enemy information. They studied also the movement of other convoys. When a convoy officer's information was complete, his orders usually were prepared by Captain Pratt without leaving the room, and presented to Admiral Benson for signature. Before such orders left Admiral Benson's room they were sealed, and safe in the custody of the man selected to see the job to a successful conclusion. Cipher advices then were sent to Admiral Sims in London, giving him the rendezvous, expected time of arrival and names of vessels in the convoy.

ESCORT BASIS ESTABLISHED IN EUROPE

The commanding officer of our naval forces in Europe was Vice-admiral William S. Sims, who had made a name for himself in raising the standards of American gunnery. He probably did as much as any man in overcoming objections of the British Admi-

ralty to the convoy system. He refused to accept the poor opinion that British masters held of their own ability to keep station in a convoy; and pointed out that the United States could be depended upon to render so much aid in escorting fleets of cargo-carriers that there would be no lack of destroyers and cruisers. In conjunction with the British Admiralty, Sims set about the task of directing escorts from the European end. Queenstown was selected as the base of the American naval forces because it formed a halfway point between the western ports of England and the rendezvous at sea. Another base selected was Brest, which had geographical advantages similar to those of Queenstown. When the movement of men and material to Europe began, Brest was of doubtful value because of its limited port facilities. Its natural advantages, however, were so great that before the end of 1917 it became the headquarters of Admiral Henry G. Wilson, Commanding U. S. Naval Forces in France, who developed it rapidly into the most important troop, destroyer and repair terminal operated by our Navy in Europe.

NAVAL OVERSEAS TRANSPORTATION SERVICE

In the operating of cargo-carriers by the Navy, a more coherent organization was needed, with a responsible officer at its head. In January, 1918, Commander Charles Belknap was appointed Director of the Naval Overseas Transportation Service. District Supervisors of Naval Overseas Transportation Service were appointed in each Naval district, to handle all matters pertaining to manning, fueling, repairing and operating all vessels assigned to this service. When the service grew to tremendous proportions, with the increase of the forces in France, Lieutenant Commander W. V. N. Powelson was appointed General Inspector of Naval Overseas Transportation Service, to effect economies in operating ships. Although the

staff thus created was distinctly a Navy staff, most of its members had been drawn from the civilian ranks.

ASSEMBLING CONVOYS

Ships and their equipment had to be studied before suitable trains [2] could be formed, captains instructed and their routes indicated. Three or four days before a ship sailed, whether it was a cargo-carrier or a transport, the port convoy officer would obtain from her captain all the technical facts needed. That included her tonnage, speed, signalling apparatus and the character of human cargo or freight that she was to carry. Thus informed, he placed the heavier ships ahead of the lighter ones, because big ships could hold their way the longer when slowed down. Vessels carrying particularly valuable cargos or troops were given the most protected positions. The best armed ships were stationed in the wing columns. Ships carrying horses were placed at the rear, so they would not need to follow the zigzagging exactly, and in heavy weather could take the easier courses. The Commodore's flagship invariably had the best signal equipment. The Commodore always was a Naval Reserve Officer thoroughly familiar with convoy routine. Vessels routed to certain destinations were grouped so that upon nearing or passing scheduled ports of destination they could be detached from the train and handled as units, thus avoiding the danger of forming them anew in the submarine area. The position, in the train in which a ship was to sail, was indicated on a standard diagram of which each master received a copy. Both the route

[2] To clarify the terms "train," "escort," and "convoy" I quote the following definitions from Vice-admiral Gleaves' "History of the Transport Service": "'Train' refers to a body of troop-ships or cargo-ships or other vessels requiring protection and make passage in company. The term 'escort' designates the fighting ships which accompany and protect the 'train.' The entire assembly of ships consisting of both 'train' and 'escort' comprise a 'convoy.' For example, we would speak of a 'convoy' of twelve ships including the 'train' of six troop transports with an 'escort' of one cruiser and five destroyers, or 'escorted' by one cruiser and five destroyers."

to be followed and the ultimate destination of each ship were known only to the responsible officers in the office of Naval Operations, the London office, and the Brest office in the case of vessels bound to French ports. Orders for all troop convoys were so carefully guarded that they were handed in person to the Commodore of the train, or to the Escort Commander, as the case might be.

CONVOYS AT SEA

Twenty, thirty, even forty ships would meet off the American coast and proceed eastward. Escorting the train resolved itself into two phases. The train had first to be escorted to the submarine zone. Then came the second phase, escorting the train through the zone with naval vessels based on Queenstown or Brest.

To escort the train to the submarine zone (the first phase) required the employment of one cruiser and a fast, armed merchantman, which served as protection against a surface raider rather than a submarine. When the submarine zone was reached, about two hundred miles off Ireland or France, the cruiser was relieved by destroyers that met the convoy at a designated position, date and hour. Further responsibility for the train's safety then lay with the British Admiralty, Admiral Sims of our Navy, or with Admiral Wilson's forces operating out of Brest. The cruiser either returned to the United States or received orders to escort a westward-bound convoy.

Zigzagging usually began at dawn and continued throughout the day, unless the weather was foggy or stormy. It was not ordinarily resorted to at night, because darkness made it unnecessary, though such troop-carrying ships as the *Leviathan*, the *Aquitania*, and the *Olympic*, whose enormous hulls loomed up visibly in the dark, usually continued their zigzag courses at all times.

The destroyers three or four miles ahead of the main body of the convoy steamed back and forth across the course to be followed and searched for evidence of submarines. Other destroyers similarly scoured the waters to starboard, port and astern. At the slightest sign of a suspicious disturbance in the water, up would go the subarine warning-signal; the train would turn sharply to the left or right, as ordered, and the destroyers would drop depth charges in the vicinity of the disturbance. If a ship was torpedoed, the convoy had strict orders to proceed as if nothing had happened. The destroyers rendered such aid as was required. To stop would be to invite another attack. If a submarine was sighted, no ship of the train was permitted to use its guns. Fighting was the escort's job.

Ships had to steam at maximum speed through the danger zone. Trained lookouts constantly were on watch, aided by an efficient system of communication between deck officers of the escort and the fire-control watch. Radio was used as little as possible. Smoke was reduced to a minimum. At night every ship was darkened, not even the smoking of a cigarette being permitted. On every ship of the train, an experienced officer always was on duty, ready to use the helm in avoiding torpedoes. Special day and night signals were pre-arranged, so that ships of a train could be ordered to execute the proper maneuvers when submarines were sighted. All transports and escorts carried guns and depth bombs. Trawlers with mine-nets swept the lanes ahead of the convoys, and swept also the entrances to harbors.

THE SUBMARINE BEATEN AT LAST

The convoy system fully realized expectations. It sounded the death knell of the submarine! German submarines found it enormously difficult to sink escorted

ships with torpedoes, and the torpedo was the only weapon they could use. Gun-fire was out of the question. It would have necessitated attack from the surface, and was impossible in the face of armed, swift destroyers. The submarine was driven to seek its quarry in narrow channels where it became subject to attack by both anti-submarine and aircraft.

MEN!

Perhaps in the popular mind, a naval hero must shed his blood at sea, under shell fire. But, it required real heroes for the performance of the irksome and almost inglorious duty so faithfully performed by the Naval Officers and men of the Cruiser and Transport Force and of the escort forces based in European ports.

Officers and crews of our cargo-vessels also are deserving of special commendation for the patriotic service they performed. The savage German practice of sinking without warning, and of leaving crews to their fate in open lifeboats when not actually fired upon, made the service of these men extremely hazardous. Some of their vessels were torpedoed, and not a few of them laid their lives on the altar of patriotism. Those rescued were taken to Brest or other French ports. After being provided with fresh equipment, they boarded ship, often within a few hours, enroute to America.

Admiral Sir John Jellicoe of the British Navy said of British sailors what might equally well be said of American sailors, that: "The officers and seamen of the Merchant Marine have founded during this war a new and glorious tradition in the teeth of undreamed-of peril. They have faced the piratical submarine and torpedo, not once but again and again, as the regular part of their duty; and stuck to the job until they were crippled, killed, drowned, or frozen to death. In many

cases their names and achievements have not been given publicity for military reasons."

The fate of the *William P. Frye,* a four-masted bark loaded with grain from Seattle to Queenstown, and in command of Captain H. H. Kiehne, is an example of some of the hardships with which courageous skippers had to contend. In January, 1915, near Cape Horn, the German cruiser *Prinz Eitel Friedrich,* under command of Commander Thierichens, ordered the bark to stop. The *Frye* was boarded by sixteen man-o'-warsmen. Upon examination of the ship's papers it was found that her cargo was destined for British ports. Consequently it was held to be contraband of war. The German Commander then ordered the Captain and his crew to throw the wheat overboard. After fifty-two tons had been dumped over the ship's side, the German Commander became impatient, for he saw that it would require four days to destroy the wheat by dumping. Captain Kiehne and his crew then were ordered to board the cruiser at daylight. After the Germans had taken aboard all the provisions of the sailing vessel, they placed a dynamite bomb in her hold and sank her. The American Captain and his crew remained aboard the German cruiser for more than five weeks.

On the morning of August 6, 1917, the Standard Oil Company's tanker *Campana,* in command of Captain Alfred Oliver, and bound for New York from France, was fired at three times in rapid succession by a German submarine. The *Campana* was armed with two three-inch guns manned by a United States Navy gun crew of thirteen men in charge of Chief Gunners' Mate James Delaney, U.S.N. Almost immediately it returned the submarine's fire. The submarine at that time was about 7500 yards astern and the *Campana* was proceeding ahead at her full speed of about ten knots. A running fight was kept up until the *Cam-*

abreast of our bridge it was almost standing on end. I kept the helm hard-a-port until it was clear of our propellors, and then resumed our course.

"It was a thrilling moment, in a way—we had got what we had been looking for ever since the submarine warfare commenced—but I don't remember being unduly excited . . . As the wreck passed astern, our after guns fired at it . . . and made several hits, so I was told by some American military officers who happened to be on deck aft and saw what was going on.

"The shock of the impact was much greater than I expected; somehow I had always thought of submarines as being frail things, but it bumped us off our feet on the bridge. I began to wonder whether it was not something heavier than a submarine we had rammed, and an uneasy feeling regarding the destroyers we were expecting to meet began to creep into my mind. I was absolutely certain that it was a submarine before we altered our course—we could see the conning tower and the hull swash, with a fair-sized gun placed forward and aft of the tower. Still the uneasy feeling remained until sometime later when we intercepted a message sent from the *U.S.T.B.D. Davis,* reading: 'Have picked up seventeen survivors of the German Submarine U-103 sunk by gun-fire from the *Olympic.*' Later it transpired that four officers and twenty-seven men were picked up from her."

In recognition of this successful exploit, Captain Hayes was awarded the D.S.C., which was presented to him by the King. The look-out aboard the *Olympic,* who first reported the submarine, received the D.C.M. Special monetary prizes also were given by the White Star Line to Captain Hayes and the look-out. The Admiralty and the Committee of Lloyd's each gave a thousand pounds to be distributed among the members of the ship's company for their part in helping to sink the submarine.

Officers of one of the American regiments aboard raised a sum of money for the purpose of placing a tablet in the ship to commemorate the event. Later, when the *Olympic* was being reconditioned at Belfast, after the war, such a tablet was placed in position on one of the landings of the main companion way. The inscription on it reads:

> "This tablet, presented by the 59th Regiment, U. S. Infantry, commemorates the sinking of the German submarine U-103 by the *Olympic* on 12th May, 1918, in lat. 49° 16′ N. long. 40° 51′ on the voyage from New York to Southampton with American troops."

CHAPTER XXVIII

WAR RISK INSURANCE AT A PROFIT

THERE were a thousand and one aspects of shipping which were not and could not have been considered when the Shipping Act of 1916 was framed and approved. It never was foreseen that we would have to build our own ships by the hundreds, as a matter of military self-protection, or that we would have to take steps to reimburse ourselves if they and their cargos were lost.

During the conflict, we had to consider marine insurance from two aspects—first the extraordinary perils of war, second the ordinary perils of the sea. The Bureau of War Risk Insurance, of the Treasury Department, considered only war perils. The Shipping Board concerned itself both with those and with what may be called the natural hazards of voyages.

The Bureau of War Risk Insurance came into existence as a branch of the Treasury Department when by act of Congress in September, 1914, the Treasury Department was authorized to insure American merchant vessels and their cargos against the hazards of war. From a small force, located in one room in the basement of the Treasury in Washington, grew a marine insurance business for war risks alone amounting to more than two billion dollars. Later the scope of the Bureau's work was greatly broadened, so that policies could be issued on vessels and cargos not actually owned by Americans; and so that masters, officers and crews could be indemnified against loss of life, injury sustained in our service or detention following capture. All told, insurance claims amounting to $29,407,000 were paid; but when the last branch of the Bureau closed its doors in 1924, there was a net profit

of more than $17,000,000 on the books. It had not been necessary to touch the $50,000,000 appropriated by Congress to pay for losses.

According to the records of the War Risk Bureau, the largest amount raised was $8,274,023 on the *Kermanshaw,* for a voyage from New Orleans to Havre. The largest loss was that of the *Argonaut,* the hull of which was insured for $516,500 and the cargo for $3,950,836. The largest single payment made by Treasury warrant was $2,200,000 for total loss of the *John D. Archbold,* a Standard Oil tanker.

It was not the business of the Bureau of War Risk Insurance to issue marine insurance contracts, a form of insurance concerned chiefly with losses caused by perils of the seas, barratry, theft and jettison; but rather to indemnify owners of vessels and cargos against losses brought about by enemy action, and to insure lives of officers and crews against the same hazards. Hence, its experience could be no true guide to us, nor any one engaged in peace-time insurance of shipping.

We could not insure with a private insurance company the ships that we owned, chartered or otherwise controlled, for the simple reason that the United States Government did not thus protect its property. On the other hand, the Bureau of War Risk Insurance dealt only with war perils. Therefore, we had to go into the insurance business on our own account. Mr. Hendon Chubb, Mr. W. N. Davey, and Mr. W. R. Hedge were asked to form a committee to advise the Shipping Board and the Fleet Corporation on all insurance matters, particularly with reference to marine, war risk, and protection and indemnity insurance. It was deemed necessary to protect both the steamers themselves and their legal liability, and to provide a means of prompt handling of claims arising through damage to cargo or injury to members of the crews. This Insur-

ance Advisory Committee began its work in the summer of 1917.

Unlike the Bureau of War Risk Insurance, this committee had to deal not only with war risks (excepting insurance on seamen's lives) but also with ordinary risks of voyages. We coöperated very closely with the Bureau. It relinquished its whole interest in all steamers requisitioned by the Government, though it continued to protect hulls and cargos owned by American citizens, for which the Government was not otherwise responsible.

The Shipping Board set aside the sum of $10,000,000 as an insurance fund, for this Advisory Committee to administer, in November, 1917. In the autumn of 1918, by which time the major war perils of the sea had been mitigated, we found that we had not paid enough attention to such matters as salvage, collisions and the like; and that we would have to broaden our insurance activities. Hence, in October, 1918, the Advisory Committee gave way to a larger and more important Division of Insurance, which eventually formed part of the Division of Operations of the Fleet Corporation. Chubb became the director of the Division, Herbert S. Eggert assistant director and John W. Griffin assistant admiralty counsel. When Chubb and Eggert resigned, February 1, 1919, Ogden was appointed director.

We drew a distinction, from the very first, between the risks assumed by the Fleet Corporation and those assumed by the Shipping Board itself. Thus, the Fleet Corporation carried only the usual builder's risks, whereas the Shipping Board carried risks incurred after a vessel and its cargo were on the water. Chubb fixed the rates, both for war risks and for ordinary marine risks. The latter were placed at a level from 25 to 30 per cent. below the prevailing market rate. Up to the middle of 1919, we showed $3,000,000 profit on our war risk insurance, and a 3 per cent. profit total-

ling $21,000,000 on marine-risk premiums. It will be seen that while the Shipping Board and the Fleet Corporation were expending hundreds of millions of dollars in building shipyards and ships, not all of their activities represented outgo, but that there was this amount of income as profit to the enterprise, even during the war period.

During the summer of 1918, new steamers were delivered by the builders at the rate of one hundred a month. These soon were manned, equipped and placed in commission. By the end of the year, we owned, chartered or controlled about fourteen hundred vessels, and so handled a very substantial amount of insurance. We never were obliged to use a cent of the $10,000,000 that we had set aside to cover losses. Premiums not only covered losses, but left us a profit. As a result, our insurance business reduced itself to a matter of bookkeeping, the losses being paid out of the premiums received. Of course, the various insurance companies and brokers did not like to have this very large volume of business kept out of the open market, and they submitted a proposal whereby all the risks could be carried by private companies. This proposal was considered carefully. But it was not accepted, for various reasons. One reason was that we deemed our system to be more flexible and that it would better facilitate the handling of the steamers. Our insurance business was all the more profitable because we did not have to pay taxes, brokers' commissions, etc., and also because government accounting favored elimination of certain charges which private companies would have had to include. We were in the shipping business not to make money (although we did make money out of insurance), but to convey essentials between America and Europe.

CHAPTER XXIX

OUR LEGAL STATUS

Because of our peculiar organization, very perplexing legal problems confronted us. The Shipping Board was a governmental department or agency; the Emergency Fleet Corporation, as its name indicates, was a corportaion in which the only stockholder was the United States Government. The legal status of the Shipping Board was quite different from that of the Fleet Corporation. As a stock concern, the Fleet Corporation was amenable to many federal and state laws that had been enacted to limit the powers of corporate enterprises. The Shipping Board, as a branch of the sovereign government, was immune from statutory restraint, except that it could not exceed the powers with which it was endowed by the Shipping Act of 1916, creating it. So far as the Fleet Corporation was concerned, the Government found itself in the paradoxical situation of being a shareholder in a corporation controlled by existing federal and state laws; and therefore in many respects in a position no better legally than the shareholders of any other corporation. As a governmental agency, the Shipping Board had far broader authority than the Fleet Corporation. It could appropriate property if it saw fit to do so, as a sovereign act under congressional authority.

SHIPPING BOARD'S LAW DIVISION

I appointed Mr. Edward S. Burling as chief counsel of the U. S. Shipping Board, which post he filled with credit throughout the period of the war. Mr. Alfred Huger of South Carolina was appointed admiralty counsel. He served us well until April, 1918, when at the request of the Shipping Control Committee he was commissioned a major and sent abroad to head a Divi-

sion of the Service of Supply of the General Staff. He was succeeded by Mr. Ira A. Campbell, a distinguished admiralty lawyer of San Francisco, and a man of extraordinary industry and ability.

Huger was responsible for the requisition charter which covered practically all American tonnage used by us in war service. That charter was a document of the greatest importance, and exceedingly difficult to frame. It set forth the relations of the Shipping Board to substantially the whole American merchant fleet of ships of 2500 deadweight tons and over. The shipping interests generously appointed a committee composed of the leading shipping men and admiralty lawyers of the country, to negotiate the charter in Washington. Huger worked out the details, with the competent assistance of Mr. B. V. Cohen.

To solve the many difficulties involved in taking over the Netherlands tonnage, the Shipping Board appointed a Dutch Cargo Claims Committee. Mr. Gerard C. Henderson, a scholarly lawyer and a member of the Law Division was chairman. The other members were Mr. W. N. Davey and Mr. H. H. Little.

LEGAL DIVISION OF THE FLEET CORPORATION

At its inception, the Fleet Corporation had a group of five lawyers organized into a Legal Division by a very distinguished lawyer, Mr. Joseph P. Cotton, who had been engaged by General Goethals as special counsel. The first official head of the Legal Division of the Fleet Corporation was Mr. Robert J. Bulkley, who was followed by Judge John Barton Payne and later by Sherman L. Whipple. Upon Mr. Chester W. Cuthell, general counsel of the Fleet Corporation, devolved much of the arduous legal work of the Corporation. Although a young man, he was a master of detail and a competent organizer. He surrounded himself with an able staff of assistants and skilfully handled our many intricate legal problems.

CHAPTER XXX

CANCELLATION OF SHIP CONTRACTS

Following the signing of the armistice, it became necessary to cancel many contracts which during the progress of the war we had entered into with builders, and also to countermand orders for supplying material.

These curtailments in our building program had to be made, in the first instance, to save for the Government as much money as possible; and in the second, to conserve the best and most adaptable vessels for our merchant marine and the development of our overseas trade when peace finally settled upon the world. While these considerations were essential, it also was necessary to study the situation from the standpoint of the shipyard workers. We had held out incentives to them to enter the yards, and on the whole they had given satisfactory account of themselves. They thought they had some claim on the Fleet Corporation, for employment; and the discharge of tens of thousands of them would have had a serious effect on economic conditions, especially in districts where it would have upset the local industrial structure. We were obliged to proceed carefully and with deliberation.

In the Delaware district, the yards had become very well organized and systematized by the time the armistice was signed. They were going ahead at full speed and accomplishing the results we had sought at the outset. Naturally, the builders were very reluctant to surrender their contracts when they had reached the point (after many vicissitudes and difficulties) where they could see handsome profits if the ship-building program were continued. On the other hand, I felt that many of the ships for which we had contracted (for war purposes and at war-time prices) could not

successfully be employed in peace times in competition with foreign ships.

On April 30, 1919, when the resignation of Piez was to take effect, the ship-builders of the Delaware district gave him a testimonial dinner which was very largely attended and to which the staff of the Fleet Corporation was invited. It was a well-deserved compliment to a man who had done a big job and had done it well. In his speech at the dinner, Piez expressed disagreement with my policy of cancellation.

To my surprise, on the following day, the ship-builders issued an appeal to their workmen to organize a parade to be held in Philadelphia in protest against further cancellations of ship contracts. Mr. Michael Francis Doyle, attorney for the various unions of ship-yard workers in the Delaware district, sent me an invitation to review the parade in the grandstand together with the ship-builders and other guests. I notified Mr. Doyle that I was grateful for the invitation and that I appreciated very much the service which the workmen had rendered during the war, but that I could not accept his suggestion that I sit in the grandstand and review the parade. I told him I felt I did not belong there; that I was myself a member of the Brotherhood of Locomotive Engineers and that if an invitation were extended to me to march in the ranks with the men I would be very happy to accept it, but under no other circumstances. He promptly telegraphed me that I would be expected to lead the parade.

I was advised at the time that, to please the ship-builders, the workmen were preparing banners with such slogans as "Down with Hurley." When I agreed to lead the parade those inscriptions were eliminated and others substituted, which were not antagonistic, though they contained appeals for a continuation of ship construction.

When I arrived in Philadelphia on the day of the parade, a delegation of union men, of which Mr. Scott

was Chairman, called on me and escorted me to Broad Street in front of the Fleet Corporation's offices, where the parade was to start. There were some fifty thousand men in line and seventy-five bands. It was one of the greatest demonstrations of its kind I ever witnessed. When we passed the grandstand, the ship-builders occupying it were much surprised to see me leading the parade which they had planned for the purpose of forcing me to renounce my policy of cancelling ship contracts. The ship-builders had overplayed their hand, but I enjoyed the experience they furnished me. The union men understood my position. They knew that the policy was right, and that public sentiment was back of it.

There can be no doubt of the wisdom of the Board's policy of cancellation. Since the large post-war demand for bottoms there has been a surplus of ships and the Board has been endeavoring to dispose of the war fleet to private interests. It has put forth every effort to establish permanent trade routes under the American flag and to maintain an adequate American Merchant Marine in keeping with the present needs and the future growth of our country. To foster American ship-building the Board has built, at government expense, new American Diesel-type cargo-ships to demonstrate to private operators the economy of this power for ship operation. In this work of keeping the American flag on the seas the Board has endeavored further to interest the coöperation of American business men who export their wares to the markets of the world, to ship their goods in American bottoms. The Board has aroused in the public mind an interest in ships and shipping. An indication of public interest in ships is found in the fact that ship-models are once more in great demand for decorative purposes in thousands of our homes. These models of various types and kinds of vessels help to educate our youth in a knowledge of ship-craft. Recently $27,000 was reported to

WAR POSTER

DRAWN IN COLORS BY MR. GERRIT A. BENEKER. ORIGINAL PRESENTED TO THE CHAIRMAN OF THE UNITED STATES SHIPPING BOARD BY MR. ARTHUR CUDDIHY OF THE *Literary Digest*.

have been paid for a replica of a famous ocean-going vessel. This is most encouraging evidence of returning interest in the American Merchant Marine.

Narratives of the romance of the sea are finding popularity in our periodical publications. Magazines and Sunday newspapers are publishing seafaring stories in response to the demand for literature of this character. Thrilling experiences of the old clipper sailing days, when a voyage to India and China required six months, never will be re-enacted; but the romance of those days will continue to be told. An exciting event of the sea will continue to arouse interest, whether the tale be one of a sailing vessel, a tramp steamer or an ocean-liner.

We are again becoming ship-minded. Our boys and girls delight in making comparisons between our gigantic *Leviathan* and the ocean greyhounds of other nations. As we continue to increase our pride in our merchant ships, no doubt will remain that we are destined to establish an important place for the American Merchant Marine upon the seven seas.

Seafaring life, while more hazardous in olden days, still has thrilling experiences that test the bravery of the most courageous men. The heroism of Captain George Fried and his men of the *S. S. President Roosevelt,* who recently saved the crew of the British steamer *Antinoe,* after standing by for four days, is a fair example of what brave, humane seafaring men can do. After two of his men had lost their lives attempting to go to the rescue, the volunteers still continued their efforts in one of the worst storms on the Atlantic for many years. The rescue aroused the keenest interest throughout the world, and particularly among the American people. It did a vast good in setting an example to the captains of other ships, both American and foreign. The daring of this brave captain and his crew demonstrates the competence of the American sailor in time of emergency and grave danger.

CHAPTER XXXI

NORTHCLIFFE'S SUGGESTION TO WILSON; DISCUSSIONS IN EUROPE

I was urged by General Pershing and others to visit Europe during the war in order that I might become personally informed upon the nature of shipping problems that continually were developing there. They argued that arrangements for the use of shipping, which otherwise could be made only by cable and at some loss of time, could be effected more speedily. The President, however, felt that my place during hostilities was in Washington, directing the task of ship production.

By October 1, 1918, the Germans were in such a desperate plight that the end of the war by the close of the year could be foreseen. When they suddenly collapsed and the armistice was signed, the President wanted me to act as his shipping adviser at the Peace Conference. Shipping would have to be discussed, in connection with the return of our troops, and the relief of stricken European populations with the aid of our fleet must be considered. No treaty of peace, of the kind he had in mind, could be conceived, and no League of Nations, in which international trade and shipping did not play a part. The United States had become a great maritime power; and our maritime policies were bound to affect the peace deliberations. President Wilson therefore insisted on my going to Europe.

I proceeded to assemble a staff of assistants and advisers to accompany me on my European mission. One of the foremost of these was Mr. Thomas F. Logan, whom I appointed a Special Shipping Commissioner. Logan had a broad and comprehensive knowledge of governmental affairs in Washington and

of international matters. I previously had taken occasion to avail myself of his counsel and advice. He not only possessed initiative, but had sound and conservative judgment. He proved to be an invaluable aide, both in Paris and in London. Another in whom I found I could place full reliance was Mr. John E. Barber, whom I also appointed a Special Commissioner, so that he might have authority to act for me in the many conferences with foreign officials with whom shipping matters were to be discussed.

Mr. William Francis Gibbs, of the Shipping Control Committee, also accompanied me, for I knew that it would be necessary to draw on his vast technical knowledge of British, German and American ships, and on his statistical information. When I found that I would have to return to Washington sooner than anticipated, I cabled for Henry M. Robinson (another of my associates in Washington and later a member of the Dawes Commission), one of the most valuable men who represented us in Europe during the delicate negotiations which made it possible to obtain the use of German ships in exchange for food and to assert the shipping claims that the United States presented at the Peace Conference. Robinson represented the Shipping Board and succeeded me on the various commissions of which I had been a member.

While I was enroute from New York to Europe the London papers published a story from America that one of the important matters I would take up with the British Government was that of standardizing the wages of seamen so there might be some definite basis upon which to determine the cost of future operations of ships by both Great Britain and the United States.

On arriving in England, November 23, 1918, I was met by Lieutenant-Commander George Barr Baker, U.S.N.R.F., representing Admiral Sims, and Lord Eustace Percy of the British Government. I knew Lord Percy quite well, for he had represented his govern-

ment in Washington during the war. Later he was Minister of Education in the Baldwin Cabinet. Lord Percy informed me of the news item published in the London papers, that Lloyd George was conducting a campaign for reëlection and that any remarks made by me on the question of seamen's wages might be misconstrued by the opposition and bring forth another issue in the political campaign. I told him I had made no statement whatever concerning the subject, that the story published was not true and that he could assure Lloyd George that I had no intention of discussing any matter that directly or indirectly would have a bearing on the political situation in England.

My first few weeks in Europe were spent in discussing shipping, food relief, international economics and peace, with leaders of British and French political thought. Thus, I learned much that was of later value, particularly of tendencies that were manifest, on every hand, to conclude a peace which would give the victors the spoils rather than carry out President Wilson's aim to prevent a recurrence of bloodshed.

One of the most staunch adherents of President Wilson was Lord Northcliffe (Alfred Harmsworth), the wealthy owner of many influential newspapers and other publications in London. Lord Northcliffe proved to have ideals far higher than those usually credited to publishers of sensational newspapers. Indeed, he had all the attributes of a broad-minded statesman. I had made his acquaintance when he visited the United States during the war, and upon my arrival in London he courteously extended an invitation to Logan and me to have tea with him at his estate, "Broadstairs." I jokingly told him that if he would amend his invitation so that we might have luncheon with him, instead of tea, I would be most happy to accept.

When two or more Americans desire to discuss a matter of business they not infrequently do so at the lunch table. The British, on the other hand, extend an

invitation to tea. It would be interesting to know the extent to which British tea parties and tea figured in shaping policies and in reaching decisions during the war. Not a few of our American representatives abroad, during the war, formed the tea-taking habit. The effect of indulgence in this otherwise innocent libation often proved advantageous to the British. Perhaps they had a recollection of a certain Boston Tea Party and believed that Americans could be influenced by a liberal dispensation of tea. At any rate, it was not unusual for Americans to "fall for" this sort of British subtlety. There is no way of knowing what the effect might have been upon the war had an embargo been placed upon tea. "Freedom of the seas" was a cause of anxiety to the British, and "freedom of the teas" was a source of anxiety to us Americans "back home." We never knew what would be the outcome of an invitation extended to an American representative to "take tea."

Northcliffe was one of the most powerful personalities in Great Britain—in the world, for that matter. He could make and unmake prime ministers, and formulate and carry through national policies. "Leaders" published in his newspapers became the subject of "questions" put to the government in the House of Commons. Embarrassing questions they sometimes proved to be. He had made Lloyd George prime minister of England. He had more to do than had any other Englishman not in the Cabinet, with shaping the war policy of Great Britain. It is said of him that he wanted to be a Napoleon, and even that he thought he had some psychic kinship with that despot.

In my conversation with him, Northcliffe strongly urged the need of President Wilson's presence at the Peace Conference. Perhaps, because he was a skilled journalist and therefore an evaluator of men, Northcliffe visualized better than any other man in Europe the preponderating rôle that the President could play

in Europe. With Wilson at the Peace Table, Northcliffe contended, there would be a better chance for the League of Nations than without him. I was so impressed with this view that I urged him to cable it to the President's Secretary, Joseph P. Tumulty. A few days later, a felicitously worded telegram from Northcliffe was given out in Washington, and prepared the American people for the first journey to a foreign country ever taken by a President of the United States.

We discussed the whole field of European politics and economics, Northcliffe uttering his opinions with a dogmatism which was characteristic of him. Thus, he was willing to see a modification of British interpretation of the "freedom of the seas" policy at the hands of President Wilson, provided the modification were "reasonable." We talked of Bolshevism, then threatening to engulf Europe, but which Northcliffe correctly foresaw would hardly affect the victorious nations. Still, he was convinced that if Europe were to progress toward prosperity and peace, concessions would have to be made to the masses in England. He was so strongly in favor of distributing some of the huge landed estates of England, held for centuries by titled families, that he expressed his willingness to turn over part of his own broad acres to homeless soldiers. Despite these liberal views, Northcliffe could not subscribe to Lloyd George's scheme for a "new England" which was announced that day and which proposed to give homes and lands to returning soldiers. Northcliffe asserted his personal knowledge that the Scottish troops did not want land given to them outright.

"FREEDOM OF THE SEAS"

President Wilson's reference to the "freedom of the seas," contained in his famous Fourteen Points, was more or less of a puzzle to the British. They never were quite able to comprehend his meaning, or just what significance the "freedom of the seas" had for

them. They were fearful that, in some way, the doctrine might imperil their supremacy upon the ocean.

Sir Eric Geddes, First Lord of the British Admiralty, made a hurried trip to America in 1918. While here he endeavored, unsuccessfully, to commit the President to an explicit statement of the meaning of this somewhat indefinite phrase. He was familiar with America, having spent some years in the United States, and enjoyed a large acquaintance here. He was a man of forceful character and much interested in our shipbuilding program. He had a formal meeting with the President, which was understood to be for the purpose of paying his respects to the Chief Executive. That done, he directed the conversation to war subjects, and pointedly asked the President for his interpretation of the term "freedom of the seas." The question remained unanswered. His interview doubtless was a pleasant one, but he went away without having gained the information he so anxiously sought. The President was amused, rather than embarrassed, by Sir Eric's question. He told me it reminded him of a certain prominent diplomat who upon several occasions expressed a request for an interview, in the regular way, through the State Department. As is the custom in such cases, the nature of the interview desired and the subject to be discussed were set forth in writing. It is in this manner that appointments are made for diplomatic representatives to see the President. This particular diplomat, however, always broached some topic other than the one for which he had requested an audience, and never referred to the matter regarding which he had written to the State Department. Like Sir Eric, he always went away from the White House without having gained the information he sought. The President was deaf to questions propounded in such circumstances.

While Sir Eric's visit to the United States was fruitless so far as getting information about the "free-

dom of the seas," he did good work in stimulating our ship-building efforts by further impressing upon American officials the seriousness of the situation and the great need of ships.

KERENSKY

An interesting figure quite often in evidence at the Peace Conference (although he did not figure in any of the important discussions) was M. Kerensky, who had held brief sway over Russia as Prime Minister immediately following the collapse of the Czar's government. Kerensky was a rather nervous and excitable individual, with a high-pitched voice and a fiery temperament. He was quite clever and always very much in earnest and enthusiastic. I can imagine that he had ability to influence a crowd when delivering a public address. That ability, no doubt, accounts largely for his success in Russia, although it was short-lived. He was making his home in London and during one of my trips there from Paris, mutual friends informed me that Kerensky desired to have a talk with me. I spent one evening with him at the home of a Russian doctor. Kerensky did not speak enough English to enable him to carry on a conversation direct with me, and I knew nothing of the Russian language. Our host acted as interpreter. Kerensky discussed various phases of the war and the Peace Conference, with special reference to their bearing upon Russia. I regarded him to be a man of intelligence and high character, although in many matters rather impractical. This was especially true of the purpose for which he sought an interview with me. He emphasized his desire to have the French take a more active interest in Russian affairs, pointing out that in view of the long friendships which had existed between France and Russia, this could be done effectively. He asserted that if it were not done a chaotic condition would result in Russia. Unless France did concern herself, he pre-

dicted, no part of the huge debt (either principal or interest) which Russia owed to France, ever would be paid.

His purpose in talking to me was to ask that I urge President Wilson to support his party in Russia, and thus accomplish the overthrow of the Soviet government that had succeeded his régime. He even seemed to entertain the idea that it was within the power of President Wilson to again order American soldiers, then no longer needed in France, to proceed to Russia and aid him in establishing a stable government. Kerensky was sincere in his sympathetic feeling toward the Allied cause, but primarily he sought the establishment of his own political party in power in Russia, with himself reinstated as its head. Of course the President was so occupied with the problems of peace that I knew it would be futile to present Kerensky's suggestion to him even if it had been either practical or possible for him to take any action. Subsequent developments have quite clearly indicated that Kerensky's prediction that the Russian Soviet Government would fail to pay the French debt was true.

CHAPTER XXXII

HOUSE AND HOOVER

Herbert Hoover had hastened to Europe as soon as possible after the armistice was signed. From his experience as Food Administrator, he knew that Germany as well as the neutral and liberated countries would require immediate relief. He had formulated a plan whereby the distribution of food was to be placed under one control. Since the war had been won as the result of placing the Allied forces under unified command, with Foch as the generalissimo, there was good reason for Hoover to believe that a like plan would quickly succor the stricken countries. He was anxious to play the part of a Foch in relieving Germany and other nations.

In a cablegram to the President, dated November 27, 1918, drafted by Hoover but signed by Colonel House, the Hoover program of relief was fully outlined. House and Hoover pointed out that it was obvious that inter-allied administrative arrangements covered the Allied countries; and that if the whole of the world food supplies could be made available, through sufficient shipping, there appeared to be (over and above the Allied necessities) sufficient to take effective care of other populations, provided the supplies were administered with economy and under a single direction.

The one essential to this plan, in order that all world supplies might be brought into use, was that enemy tonnage be placed in service at the earliest possible moment. He said it appeared entirely just, in consideration of relief of enemy territory, that enemy shipping be placed in the general food service of all the populations released from enemy yoke, as well as enemy territory.

House and Hoover also told the President, in their cablegram, that they had considered carefully the suggestion made by Balfour to the Supreme War Council, at the time the terms of the armistice were under consideration, that the enemy be required to place under operation and control of the Allied Maritime Transport Council his mercantile fleet in enemy and neutral ports. The cablegram shows that both House and Hoover thought there would be many objections to this plan, in practice, and that the principle should be maintained that this fleet be used for purposes of relief and be under the direction of the Director-General of Relief. In order to secure its adequate operation, they contended that the Director-General should assign appropriate portions of this tonnage—first, for operation individually by Italy, France and Belgium sufficient to transport relief to the actually liberated nationals of those countries. The administration of relief in each of these three instances then would naturally fall entirely under the three governments mentioned and would not further interest the Director-General of Relief. The remainder of enemy tonnage, or such part of it as would be necessary, should be placed under the operation of the British Ministry of Shipping and the United States Shipping Board, in equal proportions. These two would agree with the Director-General of Relief, to deliver in either case, cargo equal to the carrying of these two fleets from such sources and to such destinations as the Director-General of Relief might direct in supplying the balance of populations to be relieved.

Under this plan it would not follow that enemy shipping would be employed directly in the transportation of this cargo, but that equivalent cargo should be delivered. House and Hoover said this would enable the use of enemy passenger tonnage in the transportation of the United States or British armies homeward, the respective shipping boards giving an equivalent in

cargo tonnage to the Director-General of Relief. This arrangement, they pointed out, in effect would add materially to the volume of world shipping and release tonnage for the various purposes of the individual countries.

House and Hoover further discussed their proposed method of dealing with the liberated peoples and with neutrals who would be expected to provide their own shipping, their financial resources and probably some tonnage. They concluded by saying that owing to the political necessity of American control over American resources and the greater coördination and efficiency to be obtained thereby, they were sure that the President would agree with them that the office of Director-General of Relief should be held initially by the United States Food Administrator, and in case of necessity by such a successor as he (Hoover) might nominate. They suggested that the policies of the Director-General should be determined by the Supreme War Council, to whom he should report inasmuch as it was the united policies in these matters not only to save life but also to stabilize governments. It was urged that the matter was exceedingly important and that they should have the President's advice concerning it at the earliest possible moment.

On the following day, Colonel House received from Secretary Lansing a response to this cablegram. The President authorized House to propose to the Supreme War Council the plan set forth. Although the most important feature of their plan involved American ships, House and Hoover had not consulted me in drafting the cablegram which they addressed to the President. I felt certain that if all the facts and circumstances were clearly presented to the President, he would not favor any proposal which contemplated the pooling of available tonnage for food relief, thus allowing it to get from under our control.

Accordingly, I advised the President by cablegram that Colonel House, who was recovering from illness, had not been able to give his personal attention to the Allied plans for world food control and that the shipping features of the Hoover proposal had not been submitted to me and had not received my approval. I said my belief was that these plans conflicted with his general policy and should be held in abeyance until he had an opportunity to outline his program for the League of Nations. I further stated that the British were willing to give us the title of Directorship, but that the American Director would be under the control of and report to the Inter-Allied War Council; and that in line with his instructions I had informed Lord Reading that we could not enter into an agreement to yield control of our ships. I also pointed out that the procedure outlined in the House and Hoover cable amounted to surrendering control of our ships to foreign bodies, to which policy I believed he was properly and unalterably opposed; further, that such plans would permit the use of ships carrying our food stuffs to be wasted through inefficient control and management.

I contended that we should have temporary use of all enemy passenger steamers for the return of our troops; also cargo-ships in enemy ports to lift all relief supplies controlled by us, but that the plans outlined in the House and Hoover cablegram would divide this tonnage without the slightest hope of having our fleet supplemented by British tonnage for this imperative movement of troops. I expressed my belief that the existing situation, which the British would like to cure with Committee and Director, was complete justification of the League of Nations, in that it amounted to the disregarding of the rights of small nations and yet conceded the need of concerted action. For the Director-General of Relief to control our shipping under European domination, as proposed, would tie our hands. It would be the first step to a similar con-

trol of raw materials. I said that matters certainly could wait until he arrived in Paris, as time would be required for the repairing and commissioning of enemy ships, and that in conference with the British and French I would make no concessions without instructions from him.

I felt certain that with a full understanding of the meaning of the House and Hoover proposal, which would have permitted ships to pass from under our control, he would not give his assent to it. This belief was confirmed two days later upon the receipt of the following cablegram:

Amembassy, Paris. Washington, Dec. 1, 1918.
Very Urgent.

6482. For Hurley. Your number two. President agrees with your position and asks that you confer immediately with Colonel House explaining to him that the aspect stated in your telegram was one which the President had not taken into account in assenting to House's suggested communication to the Supreme War Council.

For the Ambassador. Please advise Colonel House of the foregoing as soon as possible.

LANSING.

By fone from the Secretary
HPD

A few days later a meeting was held in London, at which the Hoover plan was discussed. Among those present were M. Clementel, M. Bouisson, Lord Reading, Sir Joseph Maclay, Signor Crespi, Signor Villa, Hoover and I. Opposition was indicated at once to any proposal that would pool available shipping, for food relief, under Hoover's direction. The belief was expressed that the "enemy might be given the impression that the unanimity of view which has marked inter-allied organizations has undergone a change which the enemy might think he could exploit"; and, "that the people who have benefited by a relief in which all the

associated countries could take part, should not consider it as furnished by the United States Government contrary to the intentions of the Allied governments, who would thus appear to be solely responsible for a policy of prolonging the blockade.'' [1] The real reason for opposition was the refusal of Great Britain to relax control over her own ships.

When Clementel came forward with an elaborate plan for pooling all surplus food and distributing it among the Allies and enemy and neutral countries that needed it, I seized the opportunity to propose a postponement of further action, using the League of Nations (then much-talked-of but not yet born) as an argument; and pointing out that possibly some mechanism might be established under the League for dealing fairly by all countries whether they needed food, iron, oil or wool. It was then by no means certain that the League of Nations would be organized, and if it were, what would be its constitution. In any event, months would elapse before it could act, and European relief was urgent. Despite this manifest objection to my argument, no one raised it, probably because no one ventured to oppose a League of President Wilson's conception.

At the London meeting, the Hoover plan was rejected definitely. In its stead was conceived an Inter-Allied Council which would act for the United States and its associates in studying means of relief. Ultimately this became the Supreme Council of Supply and Relief, that held its first meeting in Paris in January, 1919. Realizing the formidable character of the opposition to be made, Hoover abandoned his own plans, and became Director-General of Relief with purely administrative functions and without being given control over shipping. It was decided that the ships were to fly an Inter-Allied flag in addition to the flags of their own countries.

[1] Report of Allied Maritime Transport Council, 1918–1919, p. 50.

REPATRIATING OUR SOLDIERS

Although food relief was a pressing problem, as soon as the armistice was signed the speedy return of our two million soldiers was one of the uppermost problems with me. American soldiers had been keen to go to France, but were equally desirous to return home after the war. Over 50 per cent. of them had been landed in France by foreign vessels, chiefly British, and it was apparent that we would have to rely on foreign ships to bring them home. Feeling that we would be greatly embarrassed if the British failed to supply the necessary vessels for the repatriation of our troops, and knowing that Germany had in her harbors a number of large passenger ships, I laid the matter before the President. He urged me to put forth every effort to obtain some of these German passenger vessels.

In this problem, the position of the British was similar to ours. They had to consider their Australians, South Africans and Canadians. Both governments were striving to obtain as much available enemy passenger tonnage as possible, to carry out their programs. At a meeting with Lord Reading in London, November 25, 1918, I took up this question. I knew that we must arrive at some understanding satisfactory to both governments. Neither could afford to play the rôle of dog-in-the-manger. Europe was threatened with starvation. I pointed out to Reading that the more German passenger ships we could obtain for the return of our troops, the more cargo-ships we could release for European relief, for by reducing our army in France we would require less cargo tonnage for army food. He was very frank, and promised to use his influence in our case, which he subsequently did.

Lord Reading, Ambassador to Washington during the critical period of the war, was a fine type of British statesman. He had not previously been in the

diplomatic service, but as Lord Chief Justice of England he had an exceptional experience which admirably qualified him for his war duties. He enjoyed from the first the respect and esteem of everyone with whom he came in contact. He had a keen understanding of the war shipping problems which daily were under discussion.

A characteristic among British statesmen whom I have met is that they are not likely to tell all they know, but they never misrepresent. The statements they do make can be relied upon. This was particularly true of Lord Reading.

A few nights after the Cambrai battle, in which the British lines were broken and their forces obliged to retreat, I dined at the British Embassy as the guest of Lord and Lady Reading. Their son had been in the engagement and no word had been received by them concerning him. While most of the guests knew nothing of the worry which must have been on the minds of the father and mother, I never shall forget the manner in which they suppressed their anxiety and the efforts which they made to be real hosts while their hearts must have been burdened with sorrow and apprehension throughout the dinner.

On my arrival in Paris, I explained to General Pershing the results of my talk with Lord Reading. Pershing was very anxious to hasten the return of his men, for an idle army becomes restless and critical if its demobilization is delayed unnecessarily. For this reason Pershing urged Marshal Foch to negotiate with the German Peace Commission at the December 13th meeting at Spa some method of acquiring German passenger ships. The terms of the November 11th Armistice had provided that the Allied Peace Commission should meet with the German Peace Commission every thirty days to adjust violations and to renew the armistice until final peace terms had been agreed on and signed. Foch did not press the matter, and while we appreciated that the French had many after-

war problems causing them grave concern, I felt they did not show much interest and were rather slow in starting negotiations for German ships.

Until I went to France, I had thought Pershing's job was only a fighting one. I often had wondered what he was doing with the thousands of tons of supplies we were sending him. After I met General James G. Harbord and General Charles G. Dawes, I learned something of the high pressure that constantly was on the S.O.S. for munitions and supplies, and began to appreciate the work of Pershing, Harbord and Dawes, which largely was responsible for the success of the A.E.F. in France. General Harbord was not only a fighting soldier, but also was a great executive who knew how to do big things easily.

General Dawes, as head of the General Purchasing Board and an active member of the Military Board of Allied Supply, purchased from neutral and other countries thousands of tons of supplies urgently needed for the A.E.F., most of which were delivered by railroads and trucks, avoiding the danger of overseas shipping. Every ship that the Shipping Board could send to France was in service. The efficient efforts of General Dawes in rushing from every possible source thousands of tons of supplies, proved him to be a genius for organization and work. He rendered a great service, which materially lessened the Shipping Board's problem of sending supplies overseas.

General Pershing's thorough and aggressive manner of doing things impressed me. In his every move he demonstrated his executive ability and leadership. When future historians write the true history of the World War they will show that Pershing was not only one of the great military leaders but an efficient and effective business man back of the line and a forceful military leader on the battle front. His problems were many and he displayed statesmanlike qualities in handling not only his command but international

problems, the solution of which proved him to be a tactful diplomat who commanded the respect of American and Allied leaders.

As an instance of how promptly Pershing acted: One morning while the American army was engaged in one of its great battles, a civilian, the holder of an important post in the War Department, happened to be in General Pershing's office. One of the General's aides entered hurriedly, saluted and said: "General, I wish to report——" When the aide saw the Washington official, he hesitated and started to withdraw. General Pershing said, "Make your report." The aide then stated that one of the generals in command had lost his way on the war map and that another had become so fatigued that he was lying under a tree while the battle was going on. Pershing immediately issued orders removing both generals and placing their commands in the hands of the next ranking officer. When this official returned to Washington, he told me of this incident as an example of Pershing's promptness and complete authority to act when the efficiency of his army was at stake. It was this freedom of action without hindrance or consultation with any one that enabled Pershing to demonstrate what an able commander he was.

The terms of what may be called the "original" armistice had not provided with sufficient precision for the relief of Germany and the other countries facing starvation. When it became necessary to extend the armistice, an opportunity was presented to reopen this important question. From evidence gathered by the Supreme War Council, it was clear that the United States and other nations could be kept on a war diet for a time and starving European populations could be fed, provided that ships were found for the transportation of cereals, meats and fats. Our ships and those of the British still were needed to feed Allied and American armies in Europe and to keep essential

industries going. The Germans alone had the ships needed. In January, the French were unanimous for inserting a clause in the extended or modified armistice, autocratically demanding delivery of all German overseas passenger and cargo-ships. President Wilson, Lloyd George, Balfour and Lord Reading were opposed to compulsory methods. They decided that the ships must be obtained by bargaining with German civilians representing their Government, rather than through military channels.

PRESIDENT WILSON AND FOOD RELIEF FOR GERMANY

On January 13, 1919, I received a message from the President requesting me to attend a meeting at the Quai d'Orsay, to discuss the manner of taking over German ships. Marshal Foch presided over a galaxy of celebrities representing the great nations. Later, we reported to the Supreme War Council at which President Wilson, Lloyd George, Lansing, Balfour, Clemenceau, Sonnino and others were present. That meeting was a lesson in what is called "diplomacy." For two hours the French advanced one argument after another as to why the Germans should be prevented from buying food to stave off starvation, because less money would be left for reparations. President Wilson listened patiently, but not sympathetically. He politely rejected the notion that the collection of indemnities was more important than the saving of lives. When the meeting adjourned the French proposals were withdrawn. I went to M. Clementel's office to discuss with Lord Reading, Clementel, Hoover, the Italian and some other French representatives the form in which our demand for the German ships should be presented. It was agreed that the commission selected to modify the terms of the armistice should be a civilian body.

It also was decided that in negotiating with Ger-

To an ideal American + true friend, Edward N. Hurley,
with warm regards
W. S. Benson

ADMIRAL WILLIAM SHEPPARD BENSON
CHIEF OF NAVAL OPERATIONS DURING THE WAR.

many each of the four governments concerned (the United States, Great Britain, France and Italy) was to appoint two delegates for ships, two for finance and two for revictualing. In accordance with this plan, I represented the United States for shipping. I had Admiral W. S. Benson as my personal adviser on admiralty matters, accompanied by Commodore A. F. Carter, and John E. Barber as my associates. Great Britain appointed John Anderson, J. A. Salter and Captain Hotham. The French representatives were J. H. Charpentier, P. Laurent-Vibert and Naval Lieutenant Fabre. Italy appointed Professor Bernardo Attolico. The delegates for revictualing were: L. P. Sheldon and Howard Heinz, United States; Sir John Beale, Great Britain; Pierre May, France; Commander Mario Giusti, Italy. The financial delegates were: Norman H. Davis and Charles Goodhue, United States; J. M. Keynes and Dudley Ward, Great Britain; Charles de Lasteyrie, France; Carlo Poma, Italy.

This group of civilians planned to meet a similar group of German civilians, on January 15, 1919, at the old town of Treves, near the Luxemburg border, for the purpose of framing and signing an agreement whereby the German Government would turn over all German passenger and cargo tonnage bottled up in its harbors during the war, in exchange for food supplies for their people. This understanding was to be reached in accordance with certain clauses drafted by the Supreme War Council. "If the agreement is not brought about, Marshal Foch will, upon the recommendation of the delegates, take the matter in hand," was the somewhat ominous final clause of the instructions. The recommendations of the Supreme War Council, that were to be followed, considered the exchange of ships for food against adequate payment, the needs of the Allies and neutrals not being overlooked. I was elected chairman of the combined shipping and food delegations.

CHAPTER XXXIII

WITH FOCH AND THE GERMANS AT TREVES

We Allied delegates leave Paris on Janaury 14, 1919. The following day our special train is sidetracked next to that of Marshal Foch, at Treves. Pending arrival of the German Armistice Commission, we talk over the best method of dealing with the German shipping delegates.

At ten o'clock on the morning of the 15th, two United States Army automobiles dash up. Out of them step the gloomiest, most dejected lot of men I ever have seen—Mathias Erzberger, Count von Obendorff, General von Winterfeldt of the German Army and Captain Vanselow of the German Navy. It is the military and naval delegation of the German Armistice Commission.

The Germans enter Foch's car. They range themselves on one side of the large table in the middle of the coach. The French range themselves on the other side. Foch enters. A stiff bow from him and his French associates. Equally stiff bows from the Germans. The atmosphere is tense—icy. Foch invites the assembled company to be seated. He proceeds to lay down the law. Copies of the new armistice terms are handed to the Germans—copies with parallel columns. In one column the alleged infractions of the original armistice are listed; in the other are the new terms. It is obvious enough that the Germans will not be given much opportunity for parleying. The new armistice must be signed within twenty-four hours. Foch so dictates to the Germans—also to us.

But where are the German shipping delegates? Their train has been delayed. They will not arrive for

two or three hours, and we have only twenty-four in which to conclude a difficult piece of negotiation. We go to Foch. Will he give us more time? The delegates ought to receive fair play, we argue. The obdurate Foch gives us only until six o'clock, not a second more whether we arrive at an understanding with the Germans or not. Evidently he regards us merely as meddlesome civilians, trying to prevent him from having his own military way. For the time being, we accept the situation. We have to.

We hire a large room in the Reichshof. Every German town, it seems, has a hotel called either a *Reichshof* or *Kaiserhof*. That room is to be our council chamber and meeting place. Our dining car is without bread, and because of the food scarcity we cannot purchase any. I learn that the American Red Cross may have some, and write a note to the Colonel in command. To our surprise, twelve loaves of bread are delivered to us by my personal friend Colonel George F. Getz, of Chicago. We are glad to get the bread, and are particularly pleased to see Getz. There we have our first formal conference with the German shipping delegates. They come in very solemnly—Mr. Philip Heineken, Director-General of the North German Lloyd; Dr. F. Cuno, of the Hamburg-American Line; Von Braun, Under-Secretary of State; Geheimrat Seeliger, Doctor Melchior and Doctor Ratjen. We conduct ourselves in keeping with the example set by Foch in his car. Indeed, the formalities have been prescribed by Foch.

Our meeting with the enemy, however, proves to be more cordial than was expected. This arises from a somewhat amusing misunderstanding of the sign language. There are twenty-two of us in the room, at one side of the council table. As the Germans enter, we rise and bow. They return our greetings, and pre-

pare to seat themselves opposite us. Motioning to a chair, I invite Herr Heineken to be seated. He mistakes my gesture, seizes my hand, and shakes it warmly! No doubt he thinks that the Anglo-Saxon pugilistic custom of shaking the hand of a beaten opponent also prevails at armistice meetings. The Germans certainly behave as though they are down and out. Heineken's cordial shaking of my hand causes a smile to appear from our side. They are a group of cultured gentlemen, and we have no animosity towards them. But, technically speaking, our country still is at war against theirs; and we have instructions to extend to them only the most formal greetings.

Anderson, a man of fine personal appearance, is mistaken by the Germans for an American. That is not at all displeasing to the members of our delegation. One of the German shipping men passes to him, across the table, a typewritten sheet. We know nothing about the contents of the letter, and Anderson is much surprised. We learn later that it is a copy of a letter they had written to General Pershing, offering the United States their passenger ships on a charter-rate basis. Pershing never has replied to the communication.

As Chairman, I open the proceedings by explaining to the Germans that ours is a civilian commission—the first that has stepped on German soil since the war started; and that we shall deal with them not as exacting representatives of the military authorities, but as humane negotiators. We have to settle highly important questions of relief, by ascertaining what German passenger ships can be placed at our disposal to release American and Allied vessels. I assure them we will not take advantage of our country's military power. We listen to their story, regarding their country's requirements of food, particularly the great need of condensed milk for the children, and hospital supplies for the sick. We have a feeling of sorrow.

A snag is struck. Doctor Melchior proposes that the German ships be turned over to the United States, but that they be manned by German crews. We decline to accept the proposal. The minutes are passing swiftly. It is five o'clock. Foch summons us to his car, and tells us that the armistice must be signed at once. We protest, and try to convince him that in all fairness to the Germans we ought to give them at least until seven o'clock (January 16) to consider a memorandum which we have presented to them. He refuses, whereupon we return to the council table. Again Foch summons us, this time to hand us copies of a clause he intends to incorporate in the terms of the armistice. It contains no provision for taking over German passenger tonnage, and deals only with the revictualing of Europe. We pluck up courage, reject the clause, present to Foch the entire plan we have discussed with the Germans and ask that it be inserted in the terms of the armistice, pointing out that we represent the Supreme War Council and that it is unfair to ask the Germans (delayed through no fault of theirs) to sign any document they have had no time to study. We have the same degree of authority that Foch has. Our instructions are in English. Foch's instructions are in French. He insists on comparing them, and tries to prove that our understanding of them is wrong. We prove that we are right, but that does not influence him. One-half an hour is all that he will grant. We decline to consider so brief an extension. Foch counters, by refusing emphatically to insert our proposed clause in his terms because we have not reached any agreement with the Germans. He asserts that he has no authority to include our clause; and that the Allied Supreme War Council has not passed on the Naval Committee's report on the disposal of German ships. We become insistent. Sir John Beale and John

Anderson urge that the time at which the armistice is to be signed should be extended until midnight,[1] and that our clause be inserted, provided it is accepted by the Germans. Foch does not budge from his position. We have to make the best of his unreasonable attitude, so we decide neither to approve nor disapprove of his inserting our clause. Our arguments make no impression upon him. We return to the hotel. While there, Foch sends us a message. The terms of the armistice have been signed! Our clause, in the exact form in which we prepared it, has been included. Foch having yielded to our proposal, our feelings towards him become somewhat ameliorated. At half past nine, the appointed hour, we meet the Germans again. They are not aware of the signing of the armistice.

"Gentlemen," I address them, "We would be glad to take up with you the matter of food and ships. We regret that your train was delayed, and that you have been prevented from studying our proposal. You certainly were entitled to more time. But, gentlemen, the armistice has been signed. Nevertheless, we are just as desirous of arriving at an agreement with you as if the question at issue were still open. Circumstances over which we had no control made it imperative to sign the armistice at seven o'clock. The army has these matters in hand, and I am sure that you gentlemen, who have had such an extensive experience with army men, know what it means when they want matters settled."

Doctor Cuno has a sense of humor. "It's a joke," he laughs, "but it's perfectly true."

Each item of the agreement is thoroughly considered. Then we adjourn to meet the following day. It is my belief that in order to protect themselves from an enraged public at home, the Germans would much prefer to sign a clause compelling them to surrender

[1] It expired at 5 A.M. January 17, 1919.

their ships unconditionally. They thus would be placed in the position of being forced to give up their merchant marine to obtain food for their starving people.

By twelve o'clock of the eventful next day, we reach an agreement. We rush to our train and have the agreement copied. We have told the Germans that our train will leave at 12:30, and have asked Captain Vanselow to report at 12:15 to sign. At 12:28, the first document negotiated by civilians representing the Allied and associated governments is signed. The German signatories express their appreciation of the treatment we have accorded them. At 12:30 our train leaves for Paris. Our mission is accomplished.

* * * *

My next meeting with Marshal Foch was shortly afterwards, at the opening of the Peace Conference. He was in company with Admiral Browning of the British Navy. I put a hand on one of his shoulders and said, "Marshal, after my experiences with you at Treves, I readily can understand why the Germans signed the first armistice terms at Spa." He smiled, and replied that he did not have all the say nor his own way entirely, either at Treves or at Spa.

Our clause which Foch had inserted in the extended armistice on January 16, 1919, read as follows:

> In order to assure the revictualing as to food of Germany and the rest of Europe, the German Government will take all necessary measures to put, for the period of the armistice, the entire German commercial fleet under the control and under the flags of the Allied Powers and of the United States, assisted by a German delegate.
>
> This agreement does not prejudice, in any manner, the final disposition of these ships. The Allies and the United States will effect, if they deem it necessary, the partial or total replacement of the crews, which thus released will be repatriated to Germany.
>
> For the use of these ships an appropriate remuneration

will be paid which will be determined by the Allied governments.

All the details as well as the exceptions to be determined as concerns the different categories of ships will be regulated by a special convention, which shall be concluded immediately.

Delegates of the associated governments:

Edward N. Hurley, Chairman
L. P. Sheldon,
Howard Heinz,
John Beale,
John Anderson,
J. A. Salter,
T. M. Charpentier,
Pierre May,
R. Laurent-Vibert,
B. Attolico.

For the German Government:

Vanselow, Kapitan zu See und Mitglied der Waffenstillstande Kommission.

When the time arrived to make a definite working agreement on this basis, we realized that the Germans wanted food just as badly as we wanted their passenger ships to help them get it. Von Braun, Under-Secretary of State, had painted a ghastly picture of German conditions. Eight hundred daily were dying of starvation. Bolshevism stared the Government in the face. There were needed, urgently, 75,000 tons of fats, 10,000 tons of condensed milk, and other foods. The hospitals were unable to succor the sick and dying. They needed 100,000 rubber gloves, 18,000 air-cushions, 500,000 nipples, 10,000 water-bags, 220,000 pounds of vulcanite or artificial teeth and 50,000 tubes of catgut. The further catalogue of dire necessities was heart-rending.

Psychological studies of war conditions, made by the British, often were a revelation. I recall that at the Peace Conference Mr. Henry Wickham Steed, formerly editor of the *London Times* and author of "Through Thirty Years," told me an interesting story

of a study he had made of conditions showing one of the reasons for the breaking down of the morale among the German soldiers toward the close of the conflict. He said it was a generally accepted fact that Germany was a very efficient nation; that she had systematized everything very thoroughly; and that the Germans believed they could do everything better than any other people. He stated that in the distribution of food throughout Germany during the war, there was no question but that the Germans worked out the method on the most scientific basis possible; but that, with all their efficiency, it was one of the causes contributing in no small degree to their loss of the war. In practically every German community each inhabitant received, through the Food Administration, his or her proportion of bread, meat and other supplies. But after distribution of equal shares to everyone, there was some surplus, often amounting to comparatively large quantities. This surplus was allotted to shopkeepers, to sell. Persons of financial means could buy food in addition to what had been apportioned to them, so long as the supplies lasted. A soldier home on furlough would see the surplus food in the shop windows, and the rich buying it. Perhaps his own wife and children were pale and emaciated, from lack of essentials; and he perhaps had been wounded and was going back to the front to sacrifice his life for the Fatherland. When he returned to the trenches he reported to his "kamarads" what he believed to be the great injustice that was being done to the real fighting men and their families. The conviction spread, in the ranks on the fighting line, that those who had wealth could get anything they wanted; but that the men who were making the real sacrifices, thousands dying for their country, were being discriminated against by their Government. There is little doubt that this did contribute materially

to the downfall of Germany. It demonstrated that no matter how efficient a nation may be, there is no such thing as one hundred per cent. perfection.

In arranging the method of payment for food to be delivered, we had to consider French susceptibilities. France objected to any policy that would reduce the amount of German gold or securities available for reparations. Since most of the food had to come from the United States, we had the deciding voice. We left that question more or less open. The Germans again insisted on manning with German crews the ships to be turned over. They were moved partly by sentimental considerations and partly by the fact that thousands of German seamen otherwise would be thrown out of work, with the result that the difficulty of feeding an idle, starving population would be enhanced. But the Allies were firm in their opposition, and would go no further than to permit German crews to take the ships to ports of delivery in England and France.

Nor were the Germans pleased with the payment they were to receive for the use of their ships. There was consternation among them when they were told that the highest rate they would receive would be the lowest rate paid by Great Britain or her Allies to native or neutral shipowners, the "Blue Book Rates." As a matter of fact, whatever payment was made could have made little difference to the German shipowners. No money would pass into their hands, the payments being credited to the German account in the Reparations Fund.

When the shipping and food agreement, reached with the Germans at Treves, was published, the German shipowners of Hamburg and Bremen were indignant. German shipping had been exchanged for a mess of pottage, they charged. Although Cuno, of the Hamburg-American Line, had been one of the Treves dele-

gates, he presided at a meeting of German shipowners and merchants held in Hamburg. Fruitless resolutions were passed there, urging the German Government not to ratify the Treves agreement. Doctor Rantzau, then Minister of Foreign Affairs, protested against "this violent subversion of Germany's economic development," and asserted that if the agreement were not upset, Germany's interest in the freedom of the seas (one of the fourteen points) must be purely academic in view of the lack of German ships. All of that was very true—but protest to the government was futile.

CHAPTER XXXIV

THE SPA AND BRUSSELS CONFERENCES

Because the Treves agreement had outlined merely the general conditions under which Germany would receive food in exchange for the use of her ships another conference was necessary. A mechanism had to be devised to carry out the understanding that had been reached. The questions of the supply of food and raw material, of finance and of transport had to be treated as a whole. To the Americans it was evident that if reparation or indemnity were to be obtained, German industry had to be placed upon its feet. All their arguments in council were based on a recognition of this fact.

I was unable to attend the Spa Conference, because my presence in Washington was imperative. The principal representatives of the associated governments were: George Rublee, Henry M. Robinson, Commander J. C. Freemont, John E. Barber and Colonel J. A. Logan for the United States; J. A. Salter, E. F. Wise, Sir Thomas Royden, T. Lodge, Commander Spencer Cooper and Lieut. Commander McCormick-Goodhart for Great Britain; R. Laurent-Vibert, M. J. Max and Commandant de Meaux for France; Captain Lazzarini and L. Stobbia for Italy. The German delegates were practically the same as those who had signed the Treves agreement, von Seeliger heading the Shipping Section and von Braun the Food Section.

Precise instructions were given to the Americans, British, Italians and French on the questions to be discussed with the Germans and the course to be adopted in obtaining the German ships and the disposals to be made of them, in exchange for food. As at Treves the United States and our Allies were more concerned with

obtaining large German passenger ships for the repatriation of troops than with cargo-carriers.

On February 6, 1919, Rear-Admiral George W. Hope of the British Navy handed to the German delegates a note in which they were informed clearly what was expected of them in clarifying the Treves agreement and carrying out its terms. It was evident that the Germans, doubtless acting under the pressure of public opinion at home, were bent on trying to reopen the whole issue that had been settled at Treves. Almost every issue raised by the agenda of the conference was contested by the Germans. By the terms of the Treves agreement, it was understood that certain vessels were to be delivered. But the Germans, contrary to the contemplation of the Allies, claimed exemption for some classes of ships. Their claims were refused.

It developed at one of the sessions that the Germans had sent five ships to Cherbourg, with French prisoners of War. The opportunity to seize the ships was too alluring for France to resist. Naturally the Germans protested violently to the British and the Americans. The French sheepishly admitted that they had seized the ships, giving as an excuse that they merely had anticipated the judgment of the shipping-food agreement then being negotiated. The French were taking no chances on "overlooking a bet."

The storm of disapproval that had broken out in Germany when the Treves agreement was signed had not been forgotten. Before the Germans would accede to or deny an important demand made by their opponents, they would call up Weimar, on the long-distance telephone, and consult with their Government. As a rule, that Government gave instructions which made vital concessions impossible. The second meeting, on March 4th, led to no conclusion, due to the unyielding German attitude. Admiral Hope abruptly ended further discussions, so the Spa negotiations came to nothing. Acting under instructions from their Government,

the German delegates had refused (1) to include ships building among those to be surrendered; (2) to content themselves with a mere promise, on the part of the Allies, to consider certain exceptions to surrender of ships which were demanded; (3) to remove all German crews from German ships assigned for Allied and American operation.[1]

The Spa conference having failed, and the Peace Conference being in full swing by this time, it became necessary more than ever to arrive at some understanding with the Germans regarding ships. Another conference was held, at Brussels, on March 13–14, 1919. The United States was represented by Henry M. Robinson, Herbert Hoover, Thomas W. Lamont and Hugh Gibson. Great Britain sent a number of able men, among whom were Admiral Sir Rosslyn Wemyss, Sir Joseph Maclay, John Anderson, T. Lodge and J. M. Keynes. The French delegates were Mm. Monnet, Charpentier, Laurent-Vibert, Commandant de Meaux, Commandant Fillioux, Jules Max and Charles de Lasteyrie. Italy sent Signor Farina and Captains Lazzarini and Yung. Belgium was represented for the first time, her delegate being E. Francqui. Von Braun again headed the German delegation, and with him were Doctor Melchior and such important shipping men as Heineken and Cuno.

This time a definite agreement was reached. Concessions were made on each side, the Allies yielding far less than the Germans. The 270,000 tons of food promised at Treves was increased to 370,000. Germany was permitted to pay for this food by the export of commodities, by the sale of cargos of German ships in neutral countries, by credits in neutral countries, by the outright sale or hypothecation of foreign securities and properties, and by the use of gold, all subject to the permission of the Allied and Associated Powers.

During the armistice and up to May 1, 1919, the

[1] Report of Allied Maritime Transport Council, 1918–1919, p. 65.

Allies acquired control of practically the entire Austro-Hungarian fleet, amounting to about 750,000 gross tons, and in the five weeks following the Brussels conference acquired 900,000 tons of German shipping. Of the German vessels, 550,000 gross tons were actually in operation on May 1st and 100,000 more were either enroute to Allied ports or ready to sail from German ports, for delivery.

Before and after this Brussels meeting had convened, the Allied Maritime Transport Council had assumed the management of nearly all obtainable German and Austrian tonnage. It proceeded to carry out the shipping provisions of the Brussels agreement. To France were assigned nearly 400,000 gross tons, or 625,000 tons deadweight, of enemy cargo vessels. About one-sixth were Austrian. The rest were almost entirely German, including over 90,000 gross tons of German long-distance passenger steamers and a small amount of Austro-Hungarian and Bulgarian local passenger tonnage.

To the United States were assigned eleven large passenger vessels aggregating nearly 200,000 gross tons, vessels which we used for the repatriation of our troops and for which we substituted an equivalent tonnage of cargo steamers. We were charged with obtaining delivery, for the Allies, of 245,000 gross tons of German vessels in Central and South American ports, and of two passenger vessels of 25,000 gross tons in Norwegian ports.

Of the German vessels assigned to us by the Allied Maritime Transport Council, only nine could be employed for the return of troops. They could carry a total of only 3997 officers and 39,132 men. We could not rely on British and other foreign shipping for the repatriation of our soldiers. Australians, New Zealanders, Canadians and South Africans also had to be sent back to their homes. The United States was thrown largely upon its own resources. All available

merchant vessels (fifty-six) were converted into transports. So were all suitable men-o'-war.

The energy and efficiency with which this task was performed are indicated by the fact that before the end of July, 1919, 1,770,484 men had been returned to America. Up to October 1, 1919, 1,945,367 men had been repatriated. It was accomplished without the loss of a single life due to hazards of the sea. The feat paralleled the war-time record made in transporting to France hundreds of thousands of American soldiers under American Navy convoy, without one loss due to any hazard of war. A tentative schedule was prepared by the Army and Navy, which showed the number of men that the Navy believed it could carry across the water, month by month, if the Army would deliver them as ships became available. This schedule was improved steadily as time passed, and in the month of June, 1919, 340,946 men embarked from France.

Great Britain received the balance of the German passenger and cargo tonnage and was charged with obtaining delivery of 350,000 gross tons of vessels in the ports of Holland, the Dutch East Indies and the Scandinavian countries other than Norway.[2] In accordance with the arrangement made by the Supreme War Council, each vessel taken over flew the flag of the Allied Maritime Transport Council (so that no one country would receive more than its just share of credit for food relief) as well as the national flag of the country by which the ship was being managed. It was expressly provided in the Brussels agreement that the ultimate disposal of the vessels acquired from Germany would be determined by terms of the treaty of peace.

Italy received, for management, the greater part of the Austro-Hungarian merchant fleet, a total of about 586,000 gross tons or nearly 800,000 tons deadweight. Immediately following the signing of the armistice, the Italians had seized most of the Austrian vessels then

[2] Report of Allied Maritime Transport Council, 1918–1919, p. 288.

in the Adriatic Sea and applied them to Italy's urgent uses without consulting the Inter-Allied Maritime Transport Council or any of the Allied governments. The French were able to pick up a few of the smaller Austrian ships, but the greater number of them fell into the hands of the Italians. Consequently, bitter feelings developed between Italy and France over these Austrian ships.

AUSTRIAN SHIPS IN SPANISH WATERS

There were also about twenty-three Austrian vessels in Spanish waters. A determined struggle ensued between France and Italy as to which country should be permitted to take them. With the hope of reaching an amicable and satisfactory agreement regarding their disposal, the Supreme War Council suggested the holding of a meeting of British, French, Italian and American representatives, to consider the issue and to determine what division should be made of these Austrian vessels.

In the conference that was held, Lord Reading represented Great Britain, M. Clementel appeared for France and Professor Attolico for Italy. I represented the United States, with Admiral Benson as my associate. The representatives from the other countries also had the respective ranking admirals associated with them. The discussions continued for a week, and were most exasperating. They revealed that a serious situation was developing between two of our ally nations, which recently had been fighting in a common cause. Now that the enemy was vanquished, they had started to quarrel over a division of a minor part of the spoils. So tense was the feeling at one stage that there was grave fear the French and Italian navies would be ordered out to decide the issue.

It was highly desirable to have the Austrian vessels placed in service at the earliest possible moment. An agreement finally was reached, whereby the Austrian

ships in question were to be taken over by the nation which would man them first. To decide this matter, it was agreed that the naval attaches of the British, French, Italian and American embassies in Madrid should meet in the Spanish Capital, and determine among themselves whether France or Italy was better equipped to first put the vessels into service. This tentative agreement seemed satisfactory and fair and was signed by all of the representatives. We all felt greatly relieved, as it was our belief that the settlement would eliminate a somewhat embarrassing situation.

About ten days later I was greatly surprised to receive a request from George Rublee, representing the Shipping Board in many important matters at the Peace Conference, asking me to wire our naval attache in Madrid to support the British position in disposing of the Austrian ships. He said he could not give me further information at that time, and preferred that I should not ask him for any. He requested that I take the action suggested, for the sake of peace between France and Italy. I did not send the telegram, but immediately called upon Admiral Benson and asked him to ascertain the real situation in Madrid in respect of those Austrian ships. I had believed that the matter of their disposal was settled, and that the ships were at sea.

Through private sources, we learned that the four naval attaches in Madrid who were to decide which country was able to man the ships first, never had held a meeting, for the reason that it had been impossible to get the French attache to be present. Because no action could be had without him, nothing had been done. Later I learned the cause. It appears that immediately following the conclusion of our conference at the Quai d'Orsay, resulting in the agreement to which I have referred, one of the Italian representatives sent a message, in code, to Rome. He reported the agreement and concluded with the statement that in view of

the fact that Italy had a sufficient number of men in Spain to man the ships at once, the Italian seamen already had a decided advantage over the French and would be able to take the ships. When this message was filed, it went immediately to the French Intelligence office, where it was decoded. The information it contained was transmitted promptly to the French authorities. Thus, the intended Italian movement was checkmated by the refusal of the French naval attache in Madrid to meet with the other naval attaches designated to decide the question. After further controversy, a compromise was reached.

This action on the part of the French Intelligence service is strikingly illustrative of much of the work of the espionage systems which were employed by all of the Allies as well as our own Government, including the Intelligence Bureau of the Shipping Board.

"INTELLIGENCE SERVICE"

Those days which followed close on the heels of the German overture for peace and leading up to the time the armistice finally was signed were days when nations prayed—when every man was stilled by the suspense of what the issue held. We members of the Shipping Board, our every yard teeming with activity, were most vitally concerned. Though perhaps it never before has been told, those were days when the Allies were helplessly relying on (and yet received no help from) one of the most empty figments of man's brain —the "Intelligence Service," or espionage system employed by all nations during the war.

Gallant soldiers had fought through the years of war and at last had come to a point in the conflict at which the Germans were requesting a cessation of hostilities. Here was a breach, thrown open, that the "Intelligence Service" should have filled with information.

What to demand of the enemy?—That was the question.

It thrust itself upon the Allied leaders at a moment when they were entirely unprepared to meet or solve it. With their Intelligence System completely broken down, the forces of the Allies were left blind and groping to understand the true reasons why Germany desired an armistice.

At Paris when preliminary armistice proposals were discussed, the British Admiralty strongly insisted upon the complete surrender of the German Navy. But Foch and Haig dissented, pleading moderation as taught by the lessons of history in dealing with a vanquished foe. These two splendid military leaders did not know of the demoralization of the German General Staff, four weeks before, nor of the impending revolution in Germany; nor had they any knowledge of the complete disintegration in morale of the German people, which made the latter hysterical for peace at any cost.

It was simply their thought to end the war in victory for the Allies; and not, by haughty and unreasonable imposition of severe terms that the pride of the enemy could not accept, to continue the conflict for an indefinite period.

They knew that their tired armies had high hopes that the peace negotiations would end the war, and would become depressed if Germany did not sign. It would require heroic efforts to revive in them their old fighting spirit.

Lloyd George was in sympathy with the position taken by Foch and Haig. He expressed a fear that the demands of the Naval experts might prolong the war, and asked that a decision be put off a few days until at least Austria had capitulated. "We must ask ourselves," he said, "whether we want to make peace at once or to continue the war for a year. It may be very tempting to take a certain number of ships. But that is not the main issue. At present each of our armies is losing more men in a week than at any time during

the first four years of war. We must not lose sight of that."[3]

Voicing his position and humanitarian outlook upon the situation, Marshal Foch said this:

"The only aim of war is to obtain results. If the Germans sign an armistice on the general lines we have just determined, we have obtained the result we seek. Our aim being accomplished, no one has the right to shed another drop of blood."[4]

With victory within his grasp, yet cautiously weighing what he considered the more extravagant proposals of his colleagues at the memorable session on October 27th, Foch gave way a trifle and indicated his willingness to be content with the delivery of 150 German submarines. Neither he nor Haig ever dreamed that the Germans would surrender their entire navy, but thought they would choose rather to fight to the very end if such a proposal were made.

Pershing, with his usual courage, supported the demand for surrender of the entire enemy navy. He had a fresh army which was increasing daily, and therefore urged Foch and Haig to include that provision.

Had it not been for the revolutinary movement in Germany which the Allied leaders, uninformed by their collapsed "Intelligence Service," knew nothing about, the German Peace Commission at Spa would not have dared to sign an armistice including any such provision for the total surrender of their navy. Had they refused to do so, the prior judgment of Foch and Haig would have been right, and history might have shown the war lasting for another year as Lloyd George predicted. But Erzberger and his colleagues knew what the Allied Intelligence operatives had failed to report. They knew too well of the internal upheaval, the flight of the Kaiser and the peace-hungry disposition of their countrymen. So Erzberger did sign, because

[3] André Tardieu: "The Truth About the Treaty," p. 69.
[4] André Tardieu: "The Truth About the Treaty," p. 66.

there was nothing else left for him to do. He knew full well that the German people would agree to anything, to end the war.

This aspect of the armistice was something over which neither the Allies nor the German High Command had the slightest control.

It was unfortunate that the Intelligence units of the Allies did not acquire the facts regarding German conditions. Those facts were so vital they might easily have resulted in an earlier termination of the war had they been revealed.

But when the combined Intelligence sections of all the Allied forces in the war, for whatever reasons they failed, did not report the complete breakdown of morale of an enemy civilian populace, its brooding revolution and the mutiny of its navy, then the blame of inefficiency or something worse can but be leveled against such a service.

Gossip about what our neighbors are doing and are going to do seems to interest not only the people on Main Street but also the great governments of the world. Before the war each nation had an "Intelligence Service" and still has it, under guise of the various military and naval posts. But it seems that at critical periods these services do not function effectively.

Many persons believe that if the German and British "Intelligence Services" really were efficient in July, 1914, and Germany had been advised in advance of the true feeling in London (that England would be compelled to go to war if Belgium was invaded) Germany might have hesitated to mobilize and the World War would have been avoided.

England was fortunate in procuring a copy of the wireless code used by Germany in transmitting messages to her submarines. But it was not through the "Intelligence Service." It was through the efforts of Diver Miller, of the navy, who secured the first wireless code in a sunken submarine and later descended

to every sunken U-boat that could be discovered, to obtain other wireless codes.

One set of Intelligence operatives tended to checkmate an opposition set, and some amusing phases of all this spy work developed as a result. A majority of the operatives were detailed to check the moves of the other Allies, instead of watching what Germany was doing. Jealousies among the nations arose and each nation became suspicious of its allies.

Spies were so numerous they crossed one-another's trails. They stumbled over eachother and did a lot of hysterical things. For example, it developed to a point that whenever a bag of diplomatic mail was opened or a letter was unsealed, the offense was charged against the Germans. Perhaps this was not improper, under the circumstances. We had similar conditions to cope with in the Shipping Board.

In view of the utter failure of the intelligence units to function effectively prior to and during the armistice negotiations, of the system of intrigue employed to obtain information even in peace times, and of exaggerated statements which only arouse jealousies among nations, such spy systems seem to do more harm than good. In most cases their efforts are absolutely valueless.

AMERICAN BUSINESS PROFITED BY OUR WAR FLEET

In spite of the heavy demands made upon the Shipping Board to expedite the return of troops, we still found it possible to aid Hoover in carrying out his stupendous program of European relief. This was made difficult, for the reason that as early as February, 1919, there was an exceptional demand all over the world for cargo space. Moreover, it was not definitely known what the food requirements were, nor to what extent starving populations could partially help themselves. The new countries of Central Europe had not as yet succeeded in organizing adequate administra-

tive departments; therefore, neither Hoover nor our Board could look to them for information. A rough estimate indicated that there were upwards of 100,000,000 more Europeans than could be supported without imports. One has only to imagine the entire population of the United States literally starving to death, to realize what was demanded of Hoover as Director-General of Relief. Ultimately, he decided on the quantity of supplies to be shipped, and passed the orders to the Grain Corporation in New York. The American Relief Administration office in New York obtained tonnage from the Shipping Board. In April, 1919, a total of 225 of our cargo-ships, aggregating 1,535,584 deadweight tons, was engaged in the movement of foodstuffs to Europe—about 22.5 per cent. of the active Shipping Board tonnage.[5]

In all, the American Relief Association delivered supplies at thirty-seven different European ports, nineteen in Northern Europe and eighteen on the Southern route. During the period between December, 1918, and August, 1919, more than 300 cargos from this country were sent abroad. At one time there were as many as seventy relief ships at sea. From the signing of the armistice until September 1, 1919, when general relief measures were nearly completed, the supplies delivered by the American, the Allied and neutral governments, under the direction of Hoover, reached the enormous total of about 4,760,000 tons of goods valued at more than $1,147,600,000. Of this amount nearly 77 per cent., $870,000,000 in value, was shipped from America. About 10.5 per cent., or $120,000,000, was from the British Empire. France and Italy each contributed about 2 per cent., while 4 per cent. was financed jointly by the United Kingdom, the United States, France and Italy The remainder came from other countries.

[5] Report of President of U. S. Emergency Fleet Corporation, 1919, p. 31.

LARGE TYPE PACIFIC COAST STEEL SHIP

S. S. Greylock, 10,950 DEAD-WEIGHT TON STEEL CARGO-SHIP, BUILT BY THE LOS ANGELES SHIP-BUILDING AND DRY DOCK COMPANY.

THE PRESENT OPERATING FLEET OF CARGO-VESSELS IN SERVICE FEBRUARY 1, 1927, CONSISTS OF 337 SHIPS; OF THESE 240 ARE OVER 8000 DEAD-WEIGHT TONS, AND THE BALANCE BETWEEN 7000 AND 8000.

This great relief work could not have been accomplished had it not been for the cargo-ships built during the war and furnished by the United States Shipping Board.

The facts that our ship-building program was carried out under stress of war conditions when the wages of labor and the price of material were higher than at any other time in the history of the world, that we did not have a sufficient number of shipyards and were obliged to create them before we could undertake the building of ships and that we had only a limited number of ship-builders and ship workers who were experienced, naturally made the cost of our fleet excessive. Probably the cost was three times as great as it would have been had the building of such a fleet been undertaken in the period immediately preceding the European war; but production cost of practically everything else also was doubled, tripled and in many cases quadrupled during the war.

American manufacturers and American farmers had large surpluses. Europe needed our manufactured goods and farm products. What would have happened if we had not built the ships necessary to move a large part of such surpluses in 1919 and 1920? Eighteen million deadweight tons of shipping had been lost during the war. Every nation that had ships was using them in its own service. In the year 1913 our total exports amounted approximately to two billion dollars ($2,000,000,000) in value, of which only 10 per cent. were carried in American bottoms.

In 1919 and 1920, our total exports aggregated fourteen billion dollars ($14,000,000,000) of which 40 per cent. (40%) were carried in vessels flying the American flag. That 40 per cent. of our exports was equal to five billion six hundred million dollars ($5,600,000,000). If we had not had ships to carry the surplus volume of our production, total sales abroad for those years would have been decreased enormously. It would have

meant a direct loss to American producers and American working men. In view of the fact that hundreds of thousands of working men who had been engaged in making war necessities were obliged to seek other opportunities of labor, and that 2,000,000 soldiers were returning home and would require employment, a serious condition would have resulted had it not been for our greatly increased export of peace-time necessities. Those surplus goods would not have been produced, for it would have been impossible to export them without the war-built vessels. Those ships made it possible for the United States to export during this rehabilitating period substantially a third more goods than otherwise would have been possible.

Had it not been for our war-built fleet, ocean freight rates (which averaged $1.32 per deadweight ton in 1913 and had increased in 1919 and 1920 to an average of $7.68 per deadweight ton, or 600 per cent.) might easily have increased 1000 per cent. The existence of our ships helped to stabilize ocean carrying charges. Practically all of the earnings at these high rates would have gone to foreign shipowners had not the United States possessed a fleet able to carry 40 per cent. of our export trade, besides imports of vast quantities of raw material for our own use.

CHAPTER XXXV

SHIPPING IMPORTANCE AT THE PEACE CONFERENCE

It was my observation before the Peace Conference met, and while the negotiations were going on among Lloyd George, Clemenceau, Orlando and other European men of power, that it was not the League of Nations, the World Court or the "Freedom of the Seas" in which the European powers were interested primarily; but rather, the recovery and enhancement of pre-war economic advantage. International commerce and ships always came to the fore. France wanted her own ships in which to carry her imports. Great Britain feared the competition of our fleet. The Italians were trying to protect themselves, not only by the attempted acquisition of ships, but by passing laws that established government monopolies in important commodities. The British and French also expressed possibility of nationalizing the traffic in oil and other basic commodities, in order to control markets and prevent threatened American domination of the seas. Even the Greeks turned up with demands.

Posters that greeted the eye at every turn in Paris—"*Que l'Allemagne paye d'abord*" they read—distilled the very essence of French political and economic sentiment. It was this admonition to "let Germany pay first" that tied the hands of French statesmen at Treves, at Spa, at Brussels and at the Peace Conference. Whenever we encountered the granite resistence of the French, whenever it appeared that reparations might be imperiled, we knew the French Government heads were but expressing the opinion of every hamlet and city in France. British colonies were just as desirous of exacting the last penny of punitive damages. Premier Hughes, of the Australian Commonwealth,

vehemently declared that an Australian who had mortgaged his home to buy war bonds was entitled to reparation as much as any French peasant whose house had been destroyed by the enemy. Lloyd George had been reëlected on a platform which pledged him to collect from Germany "shilling for shilling, and ton for ton of ships."

No country can live interminably at the expense of another. The French had gained the upper hand of Germany. Now they were for "milking" the Germans dry. Any one familiar with the elements of economics knows that such "milking" cannot be continued long. French statesmen knew it. But such was the poverty of the French people, and such the pressure of public opinion, that they piled exactions on exactions. The time seemed ripe for optimistic counsel. When Jean Monnet, French member of the Allied Maritime Transport Executive, visited me in Paris in January, 1919, I seized the opportunity to give him my views on the rehabilitation of France. He was impressed with my argument that France ought to concern herself with trade, particularly with export trade, rather than with war; and was enthusiastic over my suggestion that France then had an opportunity to "sell" herself to the world—an opportunity that would not soon occur again. He asked me to express my views in a public address. On January 26, 1919, I delivered a speech at the *Cercle Volney,* in which I repeated the advice I gave to Monnet. I urged the French to set earnestly to work; pointed out the tempting foreign market that was waiting to buy French goods; suggested that French products should be boldly and proudly marked "Made in France," and advocated government recognition of export efforts by emblazoning the names of successful exporters on a roll of honor. At the same time I advanced the idea that all nations should be able to buy raw materials on an equal-price basis. For twenty-five years Germany had devoted her energies

not only to building up a formidable military organization, but also to developing her commercial enterprises. German military strength having been destroyed, France should expect stronger commercial competition from Germany when fully restored. I urged that France organize her business forces, just as Germany had organized her army, and make the same wholehearted response to industrial opportunity that greeted the French call to arms.

The address made a more favorable impression than I had dared to hope. It was so widely published that I received many letters from French business men, asking for more detailed information on the method of procedure. A similar effect was produced by an interview I gave M. Bunau-Varilla, editor of *Le Matin.* I wanted to help France in a practical way, and suggested that our ships be used for transportation of French products rather than to have them return in ballast.

EUROPEAN VIEWS ON OUR MARITIME ASCENDENCY

Clementel and Tardieu were particularly insistent and persuasive in their efforts to increase the French merchant fleet, by trying to induce the British and Americans to sell tonnage and to arrange well in advance of the signing of the treaty of peace just what ships France would receive from Germany by way of reparations. Great Britain actually had promised to sell 500,000 tons to France. The French thought that it would be highly appropriate for the United States to sell them 800,000 tons. At the bottom of the French plea was the fear that France would not be able to import raw materials at a price equivalent to that paid by her competitors. French ships totalled 2,000,000 gross tons before the war. It now was proposed to triple this tonnage, because it was feared that if the United States and Great Britain were to dominate international shipping they would control raw material

markets through freight rates. Here was the very type of international problem it was supposed the League of Nations would solve. The constitution of the League had not then been drafted. I knew how near the League lay, to the heart of the President. He alone could decide this shipping squabble. Therefore, I turned a polite but deaf ear to suggestions of the British, Italians and French officials, in this respect. I decided we had to wait for the President's arrival in France. In that decision all finally concurred.

Despite the enormous tonnage we had built, such was still the demand for ships that shipowners everywhere were clamoring for bottoms. The United States had by far the largest ship-building capacity, and foreigners appealed to us for permission to place orders in American yards. I discussed these appeals with the President, in Paris. He refused to consider them while peace negotiations still were pending, and even authorized me to inform the United States Senate that no concessions should be made which would open our shipyards to the construction of vessels for foreign accounts.

Since shipping was to play so important a rôle at the Peace Conference, at the request of President Wilson I established a Shipping Board office in Paris. It was in full operation by the time he arrived. Part of the organization was drawn from the Allied Maritime Transport Council, which had functioned in London during the war. Data were secured from Washington and from the London office of the American Section of the Allied Maritime Transport Council. The President found our Paris office exceedingly useful. During the Peace Conference he drew upon it heavily for information regarding ships and shipping. After my return to Washington, my associate Henry M. Robinson, who had kept in constant touch with the President, was able to use, at the Brussels conference,

data which the Paris office furnished on the exchange of German ships for food.

THE PEACE CONFERENCE CONVENES

When I returned to Paris from Treves, the preliminaries of the Peace Conference were being discussed. It was my good fortune to attend the opening session at the Quai d'Orsay on January 18, 1919, when President Wilson placed M. Clemenceau in nomination for the chairmanship. He was followed by Lloyd George, in a seconding speech. It was a wonderful opportunity to contrast the methods of the two men who thus put Clemenceau at the head of the Conference. Both were impressive; but the President had a sense of style that Lloyd George lacked, a gift of impressing his thoughts upon a rapt audience in sentences sharply-chiseled and cadenced.

In his seconding speech, Lloyd George referred to Clemenceau as "the grand young man." He spoke in English, and when he had concluded the interpreter repeated his speech in French. When the translator came to that portion of the remarks of Lloyd George wherein he had referred to Clemenceau as "the grand young man," the interpreter, by mistake used the French equivalent of "the grand old man." Lloyd George did not speak French, but he understood enough of the language to know that the interpreter had made an error. He protested, saying "No! No! I said, 'the grand *young* man' !" The audience enjoyed the correction and the manner in which Lloyd George had emphasized it. Clemenceau arose, acknowledged the compliment and gave his audience physical evidence of the correctness of Lloyd George's facetious description.

The Supreme War Council, with M. Pichon presiding and an interpreter on each side of him, met in a small room at the Quai d'Orsay. There were no formalities. There was no table in front of the members

of the Council, except a pulpit-type of desk at which M. Pichon sat on an elevated chair. Signor Orlando, Signor Sonnino, Mr. Bonar Law, Mr. Balfour and the other members discussed the questions presented, in the most informal way. President Wilson did not speak French. M. Clemenceau spoke very good English but more often used French. Here were the men, with their associates, who were to determine the peace conditions for which the world had been waiting. Usually they rested at five o'clock, and took tea in an adjoining room, allowing opportunity for personal talks. I had the pleasure of meeting them all, on such occasions.

At one of the meetings, I asked Clemenceau if he would autograph his photograph for me. He said he would be glad to do so; so later I sent Barber, who spoke French fluently, to the French Premier with a photograph I had purchased. Upon entering Clemenceau's office, his assistant presented Barber to Clemenceau, saying that Barber had brought the photograph which he had promised to autograph for Mr. Hurley. Clemenceau looked at it critically and said, "No, I will not sign that." Barber was a bit shocked and embarrassed, but only for a moment. The Premier turned to his secretary and said, "I don't like this photograph. It is not a good one." He then directed his assistant to go to a certain gallery and obtain his most recent picture, saying that he wanted Mr. Hurley to have the very latest. He autographed and sent it to me. While it is difficult to discover any material difference between the two photographs, both of which I have, I prize more highly the one he autographed. With his many cares and responsibilities this octogenarian was anxious to autograph only his favorite photograph for me. I was much impressed with Clemenceau. His manner of presenting his views was rugged, forceful, and at times abrupt in its frankness. Unless one were accustomed to this characteristic, it

might have been thought that he was angry; but, back of this mannerism was a gentleness most charming.

It is not my purpose to review the proceedings of the six weary months during which the Peace Conference studied conditions that should be embodied in the Treaty of Peace. I desire merely to outline the part contributed by Shipping Board officials to aid the President in deciding maritime questions. There were endless meetings of councils and technical commissions of all kinds, first under direct authority of the Council of Ten and later under the Council of Four. As technical shipping adviser to the President, I was called upon to attend some of the sessions of the Council of Ten. When I sailed for the United States, in February, 1919, Henry M. Robinson was appointed to fill my place. He remained in Paris about six months, returning to the United States in the following June. At the inception of his work abroad, Robinson was designated as a special commissioner of the Shipping Board. President Wilson recognized Robinson's great ability and consulted him frequently in Paris on shipping and other important matters. In recognition of his valuable service, the President named him as a full commissioner of the Board, and his nomination was confirmed by the Senate on April 18, 1919. He succeeded Commissioner Page, and resigned September 15, 1919, because of the pressure of his long-neglected personal affairs.

Invaluable aid was given to both Robinson and me by Admiral William S. Benson, Chief of Naval Operations. He had been assigned to Paris in a dual capacity, as naval adviser of the Peace mission and as the directing officer of many varied duties assumed by the Navy, from the surrender of the German naval fleet to its scuttling in Scapa Flow. His judgment was relied upon by members of the Allied Naval Council, the American Peace Commission, the Food Admin-

istration and other agencies of relief that required naval assistance. He was decorated by all the leading countries, including his own.

Although the smaller nations were supposed to assist in framing a Peace Treaty internationally acceptable, the four great powers—United States, Great Britain, France and Italy—brooked no interference in deciding important questions. From the first, it was understood that the Public Plenary Conference, at which all powers were represented, would be permitted to do little more than ratify decisions arrived at by the four great powers. It held only six meetings. The Council of Ten (merely an extension of the Supreme War Council) was the main organ of the Peace Conference. It unsuccessfully tried to keep its proceedings secret.[1] It could not stand the glare of publicity; and was so unwieldy a body that it could not arrive at decisions with the rapidity demanded by public opinion. Hence, it gave place in March, 1919, to the Council of Four, composed of Wilson, Clemenceau, Orlando and Lloyd George, which conducted meetings in secret. Clemenceau had been elected President of the Plenary Conference. He construed that this position entitled him to preside, without question, over the meetings of the Council of Ten and also of the Council of Four. What occurred when the Council of Four met had been revealed in part by Ray Stannard Baker in his book "Woodrow Wilson and World Settlement." Evidently Mr. Baker had access to the minutes of the Council. A few outsiders—experts, like Robinson—were summoned now and then to give their opinion on a technical question; but they caught no more than a fleeting glimpse of the "Big Four" in action. Robinson tells me that when he was called to attend meetings of the "Big Four" in President Wilson's rooms, each statesman sat in a corner and usually spoke in the

[1] The Council of Ten was composed of the chiefs of the delegations of the five principal powers, and their ministers of foreign affairs.

HENRY M. ROBINSON

MEMBER OF THE UNITED STATES SHIPPING BOARD; REPRESENTED THE UNITED STATES GOVERNMENT AS A MEMBER OF THE SUPREME ECONOMIC COUNCIL AT THE PEACE CONFERENCE IN PARIS; AND LATER A MEMBER OF THE DAWES COMMISSION.

most carefully weighed sentences. Occasionally Lloyd George would enliven the proceedings with some temperamental outburst and Clemenceau would do likewise with some of his characteristic paradoxes or cynicisms.

THE SUPREME ECONOMIC COUNCIL IS FORMED

All of President Wilson's decisions on shipping, at the Peace Conference, of necessity were influenced by his conception of what a League of Nations should be and how it should operate. In his words, it was to be "a league that can be used for coöperation in an international matter." Not fully understanding the important work that some of the inter-allied bodies had been doing, the President refused to regard them as the nucleus of his League of Nations. At first he even wanted to withdraw the American representatives from the Allied Maritime Transport Council. But he changed that attitude when he began to appreciate, at its true worth, the real significance of the Council. The Council's proceedings afforded practically the most convincing evidence that could be desired, of the possibility of international coöperation. More than any other inter-allied body that had been established during the war, it deserved to be regarded as the embryo of a League of Nations.

Just what kind of a body should administer the economic affairs of Europe during the period of the armistice was not clear in the President's mind. Long before he sailed for France, Allied statesmen had concluded that whether or not a League of Nations would be created, some agency would have to coördinate existing economic bodies during the armistice period.[2] Stevens and Rublee, our American delegates on the Allied Maritime Transport Council, were in favor of an international economic body. Their views carried great weight with me. I laid before the President the

[2] See Report of Allied Maritime Transport Council for 1918. Part 2, p. 6.

plan of such a body, arguing that it would serve only during the period of the armistice and that without it there would be some difficulty in controlling economic tendencies already beginning to manifest themselves among the Allies and in Germany, and boding no good to the League of Nations. At the session of the Council of Ten, February 10, 1919, President Wilson moved that the Supreme Economic Council be formed and authorized to operate only for the period of the armistice.

Thus the Supreme Economic Council was called into being. It united the activities of the Allied Maritime Transport Council and its programs committees, the Inter-Allied Food Council, the Supreme Council of Supply and Relief and the Superior Blockade Council. It was made up of civilians, representing each of the five great powers. The policy-deciding body thus constituted was to deal with "such questions as food, blockade control, shipping and raw materials."

With the exception of the Americans, the members of the Supreme Economic Council were much the same as those of the Allied Maritime Transport Council. I was appointed president of the Shipping Section, but because I was needed at home, Henry M. Robinson was delegated by the President to represent the Shipping Board. Many great American business men who had won new laurels for themselves during the war were made members of the Supreme Economic Council. Bernard M. Baruch was appointed president of the Raw Material Section; Vance C. McCormick, president of the Blockade Section; Norman H. Davis, president of the Finance Section, and Herbert Hoover, president of the Food Section. Lord Robert Cecil, a strong believer in the League of Nations, became its chairman. The bulk of the Council's work related chiefly to the relief of the famine-stricken countries of Europe and to the revictualing of Germany, in accordance with

the terms of the armistice as revised at Treves and Brussels.

GERMANY SURRENDERS HER MERCHANT FLEET

Because of her merciless submarine policy, the Council of Four determined to strip Germany of her shipping and to give her credit for it on the reparations account. President Wilson alone advocated a more lenient policy. It was the opinion of the American experts at Paris that it would be economic folly to deprive Germany of her one means of paying indemnities—her export trade. But Clemenceau, Lloyd George and Orlando, representatives of nations that had suffered far more than we had from the depredations of German submarines, knew that they could not save their political heads if they adopted the more practical American view. There had been wholesale destruction of British, French and Italian ships; and for each ton sunk, a German ton was expected. It was decided at first that Germany must give up all of her ships of 1600 gross tons and over. Drastic as was this decision it later was made even more drastic by the inclusion of such smaller craft as fishing and river boats, and by demanding the construction of new tonnage because there were not enough German ships to make good all the Allied losses.[3]

Following a recommendation of a sub-commission on reparations, the Council of Four (President Wilson excepted) favored pooling the German ships and apportioning them pro rata according to the losses sustained, including all ships still in German ports and all interned before the war by the United States and neutral countries. The proposed pooling would have given to the United States less than 4 per cent. of all German tonnage, to Great Britain about 74 per cent., to France about 8 per cent. and to Italy about 8 per cent. Such a distribution obviously was to the advantage of

[3] Baker: "Woodrow Wilson and World Settlement."

the British. They were willing to exclude from the pooling only the ships that had been passed upon by prize courts. But since no ships had thus been passed upon by any country except Great Britain and Portugal, the proposal fell on deaf ears. Plausibly enough, Lloyd George, Clemenceau and Orlando argued that the German ships which the Shipping Board had seized had sought refuge in our ports at a time when the United States was neutral, and that the ships were in no better position than those interned in ports of neutral countries. Lloyd George vigorously fought Wilson on this issue. He frankly stated that it would be easier for him to justify in Parliament an American demand for pensions, than for the retention of seized German tonnage.[4] We had proclaimed to all the world that we would not demand punitive damages from Germany, and that we would content ourselves with the mere payment for what had been ruthlessly and illegally destroyed. Yet here we were, refusing to give up German ships which had fled to our ports at a time when we still were neutral. In fact, we had by far the largest number of German passenger ships, and no large passenger ships had been built by any nation during the war. All our efforts had been directed to the building of cargo-ships. Our claim on these ships was morally questionable, it was asserted, because of our grandiose dreams of a maritime future. Congress had legislated the title to the ships in the United States, and the President refused to give them up.

Lloyd George advocated pooling, with an engagingly naïve effrontery. The ships in our ports and in neutral countries would be more useful to Great Britain than to the United States.[5] From the outset, I had taken the position that the United States should retain these ships, and had so advised the President. Just before my departure from Paris, I had another

[4] Baker: "Woodrow Wilson and World Settlement."
[5] Baker: "Woodrow Wilson and World Settlement."

conference with the President in which I urged again my position in the matter. I told him I felt sure that public sentiment in the United States never would countenance the surrender of those vessels. He replied in that calm but firm manner which characterized his attitude when he finally reached a decision, "Have no fears, Hurley. If we do nothing else here, we will retain those ships."

Eventually President Wilson won the issue. We kept the ships that we had seized and had repaired at enormous expense. A compromise was reached which satisfied British public opinion. Each power was pledged to pay into the reparations fund the value of all German tonnage received in excess of war losses, so that a financial pooling arrangement was made. We kept the German ships that we had seized, but the chief gainers (apart from Great Britain) were such neutrals as Brazil and Portugal, which before the war had no merchant shipping worth mentioning.

Both Lloyd George and Clemenceau were anything but pleased with President Wilson, because at that time there was a tremendous demand for ships and no possibility of obtaining them speedily, even for cash. In retaliation, Lloyd George and Clemenceau joined forces in defeating the President's proposal that Germany be allowed to retain temporarily part of her new fleet, then under construction, so that she might have some time to struggle to her economic feet.

The treaty which was ultimately signed compelled Germany to recognize the right of her erstwhile enemies to a replacement of all lost tonnage, ton for ton and class for class. She had to cede all her merchant ships of 1600 gross tons and more, half of her ships from 1000 to 1600 tons and a quarter of the tonnage of her steam trawlers and fishing boats. The total amount of tonnage in existence at the end of the war being much less than that sunk by German submarines, Germany was compelled to build vessels in her yards under

conditions laid down by the Reparation Commission, not more than 200,000 tons a year to be delivered yearly for five years after the signing of the treaty.[6] She also was forced to surrender all ships which during the war had been transferred or were in process of transfer to neutral flags without the consent of the Allied and associated governments. The only payments allowed were those provided for under the Treves and subsequent armistice agreements, and those dealt entirely with the use of German ships for food relief.

Had the treaty been negotiated late in 1920, probably its shipping provisions would have been very different. During the first half of 1919, there was a crying demand for ships. Later, Great Britain did not know what to do with the ships she had acquired, inasmuch as her own were idly tugging at their anchors. President Wilson cherished the thought, as most of us did at home, that the huge fleet of cargo-carriers we had built would enable us to compete successfully on the high seas with European maritime nations. Early in 1919 we might have sold at high prices many ships that later rusted and rotted at their moorings. Had we done so, my successors in the Shipping Board and Fleet Corporation would have been spared much galling and unjust criticism. The President and I felt that public opinion in America would not brook the selling of our ships. The Shipping Board as a whole certainly was opposed to a sale. The almost hysterical pleas for ships, which poured in, strengthened the President and the Board in this conviction. If Europe could use our ships, why could not the United States use them? Two years later (1921–1922) both Europe and America were made to realize, by economic facts, that war-built ships were "white elephants." We had too many of them. Nobody wanted them.

[6] This provision later proved an embarrassment to the British. It simply deprived the British shipyards of work.

AMERICAN COMMISSION
TO NEGOTIATE PEACE

Paris, April 29, 1919.

Dear Mr. Hurley:

With the completion of your work with the American Commission to Negotiate Peace, we, the Commissioners, desire to extend to you, on behalf of the Government which we represent, as well as perenally, our warm thanks for the important services which you have rendered your country while on duty here. The task of making peace has been great and arduous, and our country is indebted to those who, like you, have rendered such valuable service to the Government.

You take with you the sincere wishes of the Commission for the future.

Faithfully yours,

Robert Lansing
Henry White
E. M. House
Tasker H. Bliss.

Honorable Edward N. Hurley,
United States Shipping Board,
Washington.

CHAPTER XXXVI

OUR WISE COUNSELLOR—WOODROW WILSON

In closing this volume I desire to make acknowledgment, inadequate though it may be, of the helpful coöperation, the careful guidance and the wise counsel which President Wilson always accorded to me and my associates in the Shipping Board and the Emergency Fleet Corporation in our efforts to build and operate ships.

In view of the conditions which prevailed during the war, I feel justified in taking pride in the achievement of these two organizations—pride not only in their achievement but also in the loyal devotion to duty and the patriotism of those who wrought it—pride in the fact that it was wrought under the inspiring leadership of Woodrow Wilson. He once told me that as a lad he had wished he might go to sea, visit all the ports of the world and perhaps become a great sea captain; that he always had liked to watch ships, their sails bulging, cutting along the water, driven by the wind; and that he was fascinated by pictures of great vessels riding the billowy waves with their flags and pennants flying. But it was not alone his boyish enthusiasm and a vision of "a painted ship upon a painted ocean" that prompted his great interest in our task. It was his keen knowledge and thorough understanding of the vital need of ships to assist in winning the war.

When I realize that this necessity, important as it was, constituted only one of the multitude of purposes involved in his many duties and obligations, I marvel at his almost super-human ability to assimilate them into one monumental effort to accomplish the thing he sought—*the thing which the country desired.*

Because it was necessary to make the Shipping

Board an instrumentality of war, Congress extended to the President almost unlimited powers. The authority thus granted to him the President delegated to the Shipping Board and the Emergency Fleet Corporation. This delegation of authority did not mean a shifting of his responsibility. It rather was a transfer of the physical performance of obligations involved. My duties brought me into close contact with him, and gave me a clear insight into the workings of his great mind. Because he desired to know, as it was his right to know, I kept him advised of all of our major operations. No matter what burden lay upon him at the moment, I found him ready and anxious to give his aid in assisting us to solve our problems. His desire always was to know the facts—all the facts—and upon his methodical and systematic analysis of them he based his conclusions and fixed his determinations. His grasp of intricate questions was remarkable. He quickly would comprehend a situation and make a decision without delay. His promptness in taking action after a problem had been submitted to him gave great impetus to our work. He was the great driving force of the Government, and held tightly the reins of every branch of the service, thus making it possible for each to function effectively. When he had formed a conclusion he would move straight ahead toward his goal. He would not be swerved. In his own appraisement, he characterized this attitude as stubbornness; but instead it was resoluteness.

I called upon him one day in Paris just after he had concluded a conference with Signor Sonnino, Italian Minister of Foreign Affairs, who spoke English fluently. Sonnino was physically a large man, and possessed a forceful character. He had a striking manner of emphasizing his opinions. His attitude often gave the President not a little concern. Sonnino was leaving the room as I entered. The argument he and the President had just ended evidently was on the President's

mind. He greeted me: "Hurley, that fellow Sonnino is more stubborn than I am."

Personal feeling contrary to his reasoning and judgment rarely influenced President Wilson in his decisions. When I decided to ask his endorsement of the appointment of Schwab as Director-General of the Fleet Corporation, I was fully conscious that probably they two never had anything in common. I thought also that he would be no more than human if he entertained dislike for a man who had done as much as Schwab was said to have done to prevent his reëlection to the Presidency. When I stated my case and he realized the advantages of having a man of Schwab's standing, capabilities and personality connected with our organization, he was delighted to have Schwab join us, and readily gave his consent to the appointment.

I never had a talk with Woodrow Wilson that did not reveal some intensely human and sympathetic phase of his character. I remember accompanying him and Mrs. Wilson to the launching of the *Quistconck,* the first ship to slide down the ways at Hog Island Yard. The day was extremely hot. We sat on the rear platform of his private car. While going slowly through the freight yards, we passed a number of men working on the tracks under the broiling sun. He turned the conversation to a discussion of problems of the workingman, and said, "Hurley, these are the people who need to be helped. If I am able to ameliorate their condition I shall feel that my public services have not been wholly in vain."

Joseph P. Tumulty was the weather-vane of the Wilson administration. He occupied a commanding position. With his quick faculties of perception, he easily was able to sense the sentiment of the country. If the Tumulty weather-vane pointed in one direction it indicated that the political atmosphere was favorable. If it pointed in another direction it was evidence of an approaching storm. Those whose interests

centred about the White House, even the President and members of the Cabinet and heads of war activities, recognized that Tumulty had a very comprehensive appreciation of the manner in which the public accepted a situation. He seemed to understand the state of mind of the people. When some newspaper story was published criticising any department of the administration, the head of such department always felt relieved if the White House weather-vane indicated that the public did not endorse the criticism. When the reaction was unfavorable to the administration, he seemed to be able to sense it quicker than any one else.

As I have said, the President always was anxious to get the facts. At times, he received much unsolicited advice. He listened and formed his own conclusions. Much of the advice he is reported to have received was of an imaginary character. Many visitors who are accorded audience with the President are anxious to have that fact heralded to the country. They desire the impression to be created that they "told the President what he ought to do," and that he was very favorably impressed. It often requires only a handshake and a cordial "how-do-you-do" to form the basis of an elaborate boast on the part of a White House caller as to what transpired between the President and him. One day while I was sitting in Tumulty's office there entered a prominent political leader from the West. An appointment had been made for him, principally to enable him to pay his respects to the Chief Magistrate. After waiting for his turn this man was ushered into the President's room, where he remained about three minutes. That evening I saw him with a group of friends from his own state. With an assumed modesty, and making an effort to have his hearers believe that he was imparting something confidential to them, he was relating in elaborate detail the things he said he had told the President. I gathered from

his statements that he had advised how the war should be conducted, what was the feeling in the country, how the President should meet it and what should be the recommendations to Congress. Evidently, from his remarks, he also had imparted a vast amount of other information that would have consumed at least half an hour of the President's time. I had seen him enter the President's room and had noted his departure. The elapsed time was little more than enough to embrace an interview consisting of "glad to see you" and "good-bye."

When I hear or read of similar stories of White House callers discussing subjects with the President, privately or in meetings, of doing all the talking, and of endeavoring to create the impression that they had familiarly slapped the President on the back, I am reminded of this incident and I discount them accordingly.

The weekly meetings of the War Cabinet were like conferences of executives of large corporations reporting progress of their work to their president and submitting ways and means to carry on further. I never knew what prompted the President to form the War Cabinet, but its achievements proved that he had a keen grasp of how to organize a combined war and economic body of men for a great emergency. In the thirty years of my business career, I never had been associated with a group of men who worked together so harmoniously and effectively. Each man had a super-task to perform. McAdoo had finance and railroads, Baker had war, Daniels had navy, Baruch had the war industries, Hoover the food, Garfield the coal and oil, McCormick the exports and imports, and I had shipping and ship-building—all interwoven with each other and directly affecting the daily lives of our people at home as well as the peoples in most of the countries of Europe.

The many questions that were discussed with the

President at our meetings were acted on promptly by him in a business-like manner. He never hesitated to assume full responsibility verbally or by letter in any matter on which he was asked for an opinion. Moreover, he showed his remarkable knowledge of our business problems, making many valuable suggestions that were most helpful. He seemed to have an uncanny grasp of what the people of the country would think of some new war policy in which he was to ask them to make further sacrifices, and they always confirmed his faith in them whenever he made an appeal for their support.

When we take into consideration the frequent changes made in administrations and war officials by Great Britain, France and the other Allies, and the trying times they experienced in struggling to create constructive and workable war organizations, I believe that our strength was in having centralized control under a Commander-in-Chief. Individually we made many mistakes under war pressure, but with the counsel and coöperation of the War Cabinet under leadership of President Wilson we were prevented from making very serious ones.

I enjoyed the War Cabinet meetings. I wish it were possible for the public to have seen how Woodrow Wilson always greeted his War Cabinet, at the weekly Wednesday meetings in his study. It was formerly the old cabinet room where Lincoln, Grant, Cleveland, McKinley and other presidents held their regular cabinet meetings before President Roosevelt built the Executive Office Building and the new Cabinet Room.

We usually met in the Red Room a few minutes before two thirty, and when all the members had arrived we went upstairs. The President always stood nearby the open door of his study and shook hands in the most cordial manner with each member as he entered, greeting us with "How are you, McCormick?" "Hello, Baruch," or some times referring casually to

THE WAR CABINET

PRESIDENT WILSON; WILLIAM G. McADOO, SECRETARY OF THE TREASURY; JOSEPHUS DANIELS, SECRETARY OF THE NAVY; BENEDICT CROWELL, ASSISTANT SECRETARY OF WAR (SECRETARY OF WAR BAKER WAS IN FRANCE); EDWARD N. HURLEY, CHAIRMAN OF THE UNITED STATES SHIPPING BOARD; VANCE C. McCORMICK, CHAIRMAN OF THE WAR TRADE BOARD; HERBERT HOOVER, FOOD ADMINISTRATOR; BERNARD M. BARUCH, CHAIRMAN OF THE WAR INDUSTRIES BOARD; DR. HARRY A. GARFIELD, FUEL ADMINISTRATOR.

a letter he had received that day from one or another of our members.

The room, on the south side of the White House overlooking the Potomac, contained the President's flat-top desk, his office chair, and a few other commodious chairs but no table. It always was necessary to bring in a few extra chairs, some of them not very restful. About the first thing the President usually did was to remove the flowers from his desk and put them in some out of the way place so that he could see each of us. Then he would pass cigars to the members, and perhaps ask a member if his chair was comfortable. Quite often he would tell some amusing story, or an incident that had occurred to him, before commencing the business of the day.

When a person crosses the threshold of an Irishman's cottage he receives a hearty handshake of welcome. The first thing his host will do is to get a poker, stir up the grate or the kitchen fire and put on a bit of coal or peat. Until the fire is burning brightly the cottager feels there is a lack of cheer, and that you have not received a real Irish welcome suitable to the honor you have conferred on him by visiting him in his humble home. While the President had no fire or poker, he demonstrated to us his warm hospitality in making us all feel at home, and I often had the feeling that this cordial characteristic in him was proof of his Irish ancestry.

President Wilson was called upon to make many momentous decisions throughout the period leading up to our entrance into the war, and during our participation. Apart from his decision to ask Congress for a declaration of war against Germany, few if any were more important than the one involved in his final note to Germany. It was a decision of far-reaching consequence. The President keenly felt the responsibility that weighed upon him.

In a note that had won admiration of the country

and the Allies, he had refused to consider an armistice proposal emanating from the Kaiser's Government. Then had followed a series of notes until the point was reached where it appeared that the exchange of communications was losing its effectiveness so far as the public was concerned.

There was unmistakable evidence that the end of the great struggle was approaching; and that Germany, at last beaten, was seeking to negotiate a treaty of peace under the most favorable terms she could get. Realizing the desperate plight of the Central Powers, the American public was divided in its sentiment as to whether there should be an agreement for an armistice or a demand for an unconditional surrender. The cry of "On to Berlin" had been raised by some patriotic and enthusiastic persons who considered neither the situation nor the consequences of such a decision.

When the proposal for an armistice came from the German people, President Wilson felt that it was his humanitarian duty to give to it the most careful consideration. The day he reached his decision was a Wednesday, when the War Cabinet was to meet. I knew he was eager to have the advice of his intimate counsellors, and hence on that morning I wrote him a letter suggesting that in his reply to Germany he consent to an armistice rather than demand an unconditional surrender. Although I did not know whether or not he had reached a decision, it subsequently appeared that I anticipated his own desire and intentions in the matter. When I entered his study that afternoon, to attend the War Cabinet meeting, he thanked me for my letter and said he was very grateful for my opinion, which he valued highly and with which he was in full accord.[1]

The meeting was a most solemn occasion. The President seemed to be more nervous than usual. Discussion of the subject of his reply to Germany was

[1] See Appendix "C."

broached as soon as we had assembled. The President stated that he desired an expression of opinion from each one present. I was somewhat surprised when each man, with one exception, indicated his belief that the proposal for an armistice, in the form in which it had come from the German people, should be accepted by the United States. The dissenting voice came from a member whom I least expected to be the one of us to suggest that we demand an unconditional surrender.

The President sat calm, and listened attentively to each member as he gave his opinion. The discussion that followed was general. Finally the President quietly drew from an inside pocket of his coat a typewritten memorandum. "Gentlemen," he said, "I have here the tentative draft of a note that I think I should send to Germany. I should like to read it, and since it is the consensus of your opinion that we should accept the proposal for an armistice, I shall be happy to receive your suggestions regarding any changes that you think should be made in the document." His utterances were slow and deliberate. He paused momentarily at the conclusion of each sentence, to enable his auditors to absorb its full significance. Not a man present failed to realize that in that note Woodrow Wilson had written a declaration that would end the great World War.

When he had concluded, the President laid the typewritten sheet upon the table before him, and asked for suggestions for its improvement. I was enthusiastic over the character of the note, and so expressed myself. Others were equally warm in their endorsement. One member, however, suggested that while as a whole he would approve the contents of the note, at the same time he believed it would be more helpful from a political standpoint if a certain change were made in one expression. The President shook his head in a most impressive manner. "No," he said decisively, "I am dealing in human lives—not in politics."

No one was able to offer a suggestion that we believed would improve the message. Not a word of it was changed from the form in which the President had drafted it. Realizing its tremendous importance, we believed that not only the people of America, but the nations of the world would applaud him for the masterly way in which he had presented the views of the United States and the Allies. When we left the White House that afternoon all of us knew that we had participated in a meeting of great historic importance; and we felt highly privileged to be associated with this wise and far-seeing statesman.

I cannot divest myself of the conviction that political considerations were largely responsible for some of the more important Senate reservations to the covenant of the League of Nations in the Treaty of Versailles.

The President had the impression that Senator Henry Cabot Lodge, then Chairman of the Senate Committee on Foreign Relations, was solely responsible for the reservations to the covenant. There is good authority, however, for the statement that another Republican Senator, whom Lodge knew to be sympathetic toward the League of Nations and who desired the ratification of the Treaty, actually suggested the reservations that Senator Lodge adopted and subsequently sponsored as his own. There was an intense feeling of bitterness between the President and the Senator from Massachusetts. No doubt it had something to do with the President's firm decision to insist upon the ratification of the Treaty with terms of the covenant unimpaired.

Undoubtedly there were Senators, both Republicans and Democrats, who entertained conscientious objections to certain provisions of the Treaty. But, however strong those objections may have been, political considerations were more numerous. The feeling of some of the President's opponents in the Senate was so

bitter that they were willing to go to great lengths to embarrass him. This was evident from the character of the attacks that repeatedly were made upon him. When he declined to accept the reservations, they saw in his attitude an opportunity to create an issue that they hoped would redound to their advantage. Subsequent events proved that it did.

In March, 1920, I was one of a group of the President's most intimate friends and supporters, who met at his request one Sunday evening in the Chevy Chase Club near Washington, for the purpose of discussing the existing political situation with particular reference to the Peace Treaty then before the Senate for the second time. Among those present were Senator Gilbert M. Hitchcock of Nebraska, leader of the fight in the Senate for ratification of the treaty; Bainbridge Colby, previously one of the Shipping Board Commissioners and then Secretary of State; Senator Carter Glass of Virginia; David F. Houston, Secretary of the Treasury; Bernard M. Baruch, William B. Wilson, Secretary of Labor; Albert S. Burleson, Postmaster General; Joseph P. Tumulty, Secretary to the President, and a few others. Homer S. Cummings, who then was Chairman of the Democratic National Committee, presided at the dinner and at its conclusion produced a personal memorandum in the President's handwriting in which was asked, "What shall I do politically this year?"

Cummings expressed his belief that the President was desirous of being renominated at the forthcoming National Convention in San Francisco. This of course was merely a deduction on the part of Cummings. It was shared by many of those present. Burleson declared, without reservation, that the President should be renominated. Others of us, however, who were quite as loyal to the President and equally sincere in our support of him and his policies, felt that in view of his physical condition due to the terrific strain under

which he had labored for the previous two years, it would not be fair to permit him to become a candidate for a third term. We felt that he could not endure the struggle involved in another campaign and that he was not able to fulfill the arduous duties of four more years in the White House. Those of us who knew just what was his condition expressed the fear that renomination would shorten his life. Without having made any attempt to agree among ourselves regarding the nomination of some one as his successor, we turned the discussion to what promised to be, and subsequently was, the main issue of the campaign that year—namely, the Senate reservations and amendments to the Peace Treaty.

In this connection, a letter was read from the late Frank I. Cobb, editor of the *New York World*, one of the President's warmest admirers and supporters. It was a wonderful letter, written in that forceful and convincing style always characteristic of Cobb's editorials in the *World*. It was an argument strongly urging that the President accept the reservations recommended by the Senate Committee. Senator Hitchcock, who was ably conducting the fight in behalf of the treaty and the covenant in the exact forms in which the President submitted them to the Senate, stated that he was in agreement with the position taken by Cobb. He said that while he favored the treaty and the covenant in their original forms, and was willing to carry on the struggle to the end if it were necessary to do so, he felt that there were many reasons why the reservations should be accepted. This was his view particularly because he realized that it would not be possible to induce the Senate to ratify the treaty without the reservations. A very careful canvass of the situation in the Senate had convinced him that the effort to have the treaty ratified could not succeed without certain reservations to the covenant.

Practically every one present concurred with

Senator Hitchcock, and thought that the best interests of the party would be served if the President were to yield his opposition to the reservations. We all were practical men and real friends of the President, and some of those present much preferred to have the treaty ratified without changes. But we realized that because it had become a political issue, this could not be done. Also, we believed that the really worth while accomplishment was the ratification of the treaty with the covenant included and that the objectionable reservations would not seriously impair its value or its effectiveness.

When we had come to the point of agreement on this matter, Senator Glass remarked: "Well, I think we are all of one opinion, which is that the President should accept the reservations and be advised that this is our recommendation. But,"—and here he hesitated. Every one else eagerly waited, to learn what might be his objection. "But," he continued, "I would like to know, in the present condition of the President's mind and his state of health, who among us will be willing to go to him and tell him that he should accept the reservations."

There was a hush. Each one waited for some one else to accept the invitation. There was no volunteer.

* * * * *

My last day on the Shipping Board was July 31, 1919. I called at the White House to bid the President good-bye. For days he had been discussing with members of the Senate and others the various phases of the covenant of the League of Nations and the Peace Treaty. As I was ushered into his office I saw that he appeared worn and haggard. He shook hands with me and said, "Hurley, I have just been talking to some more Senators about the Peace Treaty," and then rather sadly he added, "They are endeavoring to humiliate me." The tone of his voice indicated to me,

for the first time since I had known him, that he realized he was on the defensive. His trips to France and the enormous responsibility he had assumed at the Peace Conference had made a telling effect upon him. He no longer was the aggressive Woodrow Wilson I previously had known. The pressure to which he had been subjected by representatives of the European nations at the Conference, who were grinding their own political axes and seeking to obtain what each regarded as his share of the liberated territory and the reparations to be paid, was very exasperating to a man of Wilson's fine sensibilities and ideals. Upon returning home he had found an organized effort to discredit his great work in the interests of world peace. I could see that he was disheartened, and that the terrible ordeal had affected his health.

He expressed his regret that I was leaving, and thanked me for my efforts during the war. I earnestly urged him not to make his proposed trip to the West; but he said, "Hurley, I feel it is my duty to explain my views and my position to the people, and I believe they will accept them. If they do not, I shall have the satisfaction of knowing that I did the best I could."

APPENDIX A*

Department of State, August 21, 1917.
Washington

Secretary of State,
Washington, D. C.
6993, August 21, 4 P.M.

I have received the following personal and private letter which I quote in full:

My dear Ambassador:

When I was in the United States the question was raised as to whether the shipping under construction in American yards on British account should be taken over by the American Government or should remain in the ownership of the country for which it was being built. Mr. Denman at that time head of the Shipping Board raised this point in the course of a conference at which both he and General Goethals were present, which the British Government had adopted; his line of argument being that British orders occupied all the yards of the United States, that American labor and American capital were absorbed in the construction of British shipping, and that with their assistance Britain would find herself at the end of the war possessed of a great mercantile marine which the United States had built but did not own.

I took the liberty of pointing out to Mr. Denman in reply that in ordering these ships before America entered the War, Great Britain took the only course open to her and one which, however the question of ownership was ultimately decided, must be to the advantage of all the powers fighting against Germany. It was of the first necessity that the whole of the world's resources in ship-building open to the Allies should be used in the construction of mercantile ships and as America was not then among the Belligerents, it was only by the British Government that the necessary arrangements could at that time be made with private owners of shipyards in the United States. I added that under no circumstances would the British Government enter into controversy with the State Department on the question of ownership and that we placed complete reliance upon the justice and good will of the authori-

* This letter was referred to Mr. Hurley by Secretary Lansing.

ties in Washington. To this policy we still adhere. If the United States Government after surveying all the circumstances of the case think the ships that we have ordered in their yards should belong to them, we shall not think of making any protest nor are we of the opinion that if the ships on completion are used in the war work of the Allies the question of ownership has any material bearing upon the conduct of the war. It may, however, be worth observing that if our own policy toward our Allies were taken as a precedent there would be no change of ownership in the case of the British ships now under construction in American yards. We always drew a sharp distinction between ships building for Allies in our yards and ships building for neutrals. The latter were brought under the British flag and retained in Allied services for the period of the war, work on the former was dealt with exactly as if the ships were being built for British owners and when finished they were handed over without reserve to the country on whose account they were ordered. There was as far as I can ascertain only one exception to this general practice and in this particular case satisfactory arrangements were made. From every nature of the case the largest losses in mercantile shipping have been borne by Great Britain. It is on Great Britain in the main that the Allies have relied for the maintenance of the sea-borne traffic on which not merely their capacity for fighting but their very existence depends. It is on Great Britain that the full brunt of the submarine campaign has fallen. Our losses have been heavy and unless we obtain the ships now under construction for us in America we cannot easily tide over the critical period which must elapse before our own extended ship-building program bears its full fruit.

We should therefore feel much gratified if the United States Government thought it consistent with the claims of their own national interest to allow the ships now building for us in America to remain in their present ownership, though for the reasons given above we shall not press the point. We rely (as I said in Washington) on their justice and good will.

Yours sincerely,

ARTHUR JAMES BALFOUR.

PAGE

65147

APPENDIX B

U. S. Shipping Board
Washington

To the Honorable,
The Secretary of State,
Washington, D. C.

August 29, 1917,

I beg to acknowledge receipt of your favor of August 23d, enclosing a copy of the dispatch from our Embassy at London quoting a personal letter from Mr. Balfour to Mr. Page. I note all that Mr. Balfour says regarding the British ships now in our yards with the deepest interest. I need hardly tell you that this matter has had most careful consideration.

It has not been with any view to national advantage, but with the single-minded purpose of waging the war successfully that my own personal thought has been given to this matter. On account of the uncertainty of the amount of tonnage we may require for our troops in France, my views are that we must move slowly. Our line of communication to our troops in France extends over the Atlantic Ocean. It is our first duty, not only to ourselves but to the nations associated with the United States in the war against the German Government, to see to it that every precaution is taken to preserve these lines of communication.

The American Government will be held responsible for the maintenance of its own fighting forces in France. It must not only have adequate transport facilities for troops, but must always have at hand a sufficient number of ships for the movement of supplies for the maintenance of these troops, as well as for the needs of the nations associated with us. The responsibility for this vital war service falls upon us. We cannot shirk the responsibility, or share it.

If we could calculate the measure of destruction of merchant shipping by submarines in the future, we would have greater freedom of action in this matter, but as the future must be guessed, rather than gauged, it seems to me that we would assume grave risks in adopting any policy which would reduce our control of our own military and naval situation, without reducing our responsibility.

For your information, I will say that the Steamship *War Sword* owned by the Cunard Line and now in San Francisco,

which came under our commandeering order, has been turned over to the Cunard Company. This ship was ordered and paid for by the Cunard Company and I understand no money was due when the commandeering order went into effect and the ship was about ready to sail.

You will appreciate the uncertainty of our requirements on the other side at the present time, as well as in the future. We are figuring on sending thousands of tons of freight cars, locomotives, hospital trains, rails, ties, thousands of feet of lumber and many other materials for construction of which it is impossible at the moment to gather complete data. In addition, the Army must be provided with transport, supplies for the Army, animals, munitions and food. For the sending of troops and supplies for our own men we can arrive at an approximation, but even this approximation is again made tentative by the degree of destructiveness in future submarine operations.

No one can predict with certainty or accuracy what demands will be made upon us in the future. The uncertainty of the entire situation is such that we should move cautiously with the thought always in mind of living up to our promises to our own people and to the nations associated with us. Our first thought, of course, must be for our own troops, and we must take every precaution to see that we are able to meet their requirements abundantly even at a time when we may have a million or two million men in France.

If we were to act hurriedly and turn over the tonnage of all foreign countries now in our yards, and later the submarine menace should increase, and thus decrease our present tonnage and proposed tonnage to a point where we could not supply our own soldiers, or even delay the sending of such supplies, we would be placed in the position of having failed to use the good judgment which the American people expect us to use. The very labor used in the construction of these ships would have a right to complain that its work had not saved its brothers in the trenches from the disaster that would come from a failure of supplies.

In view of all the facts, it is my hope that the British Government will appreciate the seriousness of our position and realize that the transportation of troops 3000 miles is a serious task; that our ships must sail 6000 miles in order to carry a cargo; that this is the longest line of communication which any nation in war has ever been compelled to maintain; that while they have suffered severely by the submarine and we recognize the point of view set forth in all friendliness, our own necessities require us to move with caution and care.

They may rest assured that the tonnage in our yards that we may from time to time take over, if conditions demand it, will be in the service of our Army in France, as well as in the service of the nations associated with us in the war.

The American people have been most generous in giving every branch of our Government unlimited powers not only in supplying our Government sufficient funds but in being ready and willing to continue financing our associates in the war. The American people, in turn, expect us to pay special attention to our soldiers who are to fight our battles thousands of miles from home, and any steps taken whereby these men are not first considered, to my mind, would meet with the general disapproval of the American people.

Yours very truly,
(Signed) EDWARD N. HURLEY,
Chairman.

APPENDIX C

U. S. SHIPPING BOARD
Washington

My dear Mr. President: October 23, 1918.

It is a little outside my bailiwick, but I can't help feeling that it is vital not merely to the people of the United States, but to the people of the world that the throttle of war and peace should remain in your hands. I know so well the spirit of some of our friends on the other side—the leaders whose chief thought is their own prestige and power—that I dread the consequences if, in the manœuvering that may take place, they should succeed in assuming the direction of future negotiations.

I think that it is because they have had this end in view that they have flooded the cables with inspired articles from British Army Headquarters and yet have suppressed information showing the real feeling of the mass of people in England.

Not much importance can be attached to the editorial comments here or abroad. I have noticed that your policies, even those which were not acclaimed by the newspapers at the moment, have been amazingly successful, and I believe that the reason for this is that you have been close to the heart of the people; that you understand their real feeling; and that

your own conscience and sense of justice have been your infallible guides.

Even those who would like to dispute your leadership do not dare to do it because they know you have had from the beginning the complete confidence of the peoples of this and all foreign countries.

Your skillful handling of the situation has had results for which few persons dared to hope a few months ago. Your notes, without a question of a doubt, have led the German people to demand a more democratic form of government. Yet the notes which have brought about this result, causing exultation everywhere, were the very notes most criticised.

It is not necessary for us to trust the German Government or recognize its professions of good faith in order to further the diplomatic progress that has been made. Even an armistice can be worked out in such a way as to be the equivalent of a complete victory in the field.

The only thing that could pull the German people together now would be the knowledge that America will not make peace on any terms; that they want to continue the war for war's sake.

I doubt whether we will have much coöperation at any time from the leaders on the other side; but the people over there, as well as here, are with you heart and soul. If the time arrives when you see fit to submit any proposals to the Allies, and you submit them publicly, I am inclined to think that the people of France and England will prevent any incontinent rejection by the politicians.

The only opposition you need ever anticipate here would come from the editorial writers and the politicians. The people are with you because they know you are disinterested; because they know you have their welfare at heart. That is why they followed you into war, and that is why they will follow you out of it. The spirit of America, I believe, would give a million lives for justice, but not a single life for vengeance.

Faithfully yours,
EDWARD N. HURLEY.

The President,
The White House.

INDEX

Abbott, Mr., 27
Ackerson, Com. John L., 32, 144
Ackerman, F. E., 183
Adams, Herbert, 161
Adams, Lieut. Samuel H., 126, 127
Alexander, Charles B., 102, 103
Alexander, Joshua W., 21, 22
Amberg, Harold V., 108
Anderson, John, 275, 280, 282, 288
Arnold, Bion J., 216
Atterbury, General W. W., 105, 106
Attolico, Prof. Bernardo, 275, 282, 291

Bacon, Daniel, 96
Bailey, Mr., 27
Bakenhus, Com. Reuben E., 60
Baker, Bernard N., 27
Baker, Lieut.-Com. George Barr, 257
Baker, Ray Stannard, 308
Baker, Secretary of War, 90, 124, 134, 173–182, 205, 206, 319
Baldwin, James L., 151
Balfour, Rt. Hon. Arthur J., 33, 36, 265, 274, 306, 330, 331
Barber, J. E., 30, 257, 275, 286, 306
Barnes, of British Cabinet, 195
Barney, Morgan, 222
Baruch, B. M., 166, 310, 319, 320, 325
Bass, Robert P., 218
Beale, Sir John, 275, 279, 282
Beauley, William J., 161
Belknap, Commander Charles, 236
Benda, W. T., 161
Benson, Admiral W. S., 232, 234, 275, 291, 292, 307
Berres, A. J., 187–189
Bertholf, Mr., 27
Bissell, M. C. T., 93
Black, Maj.-Gen. William M., 216
Blair, Lieut.-Col. James A., Jr., 93
Blashfield, E. H., 161
Bliss, General Tasker H., 198, 234
Blythe, Stuart C., 149
Bolling, Richard Wilmer, 141, 142
Booth, Sir Alfred, 145
Bouisson, M., 268
Bowles, Admiral F. T., 32
Boyd, H. W., 200
Brady, Nicholas J., 141
Braun, von, 277, 282, 286, 288
Brent, Theodore, 27, 29, 53
Brown, Lieut. L. Ames, 93
Browning, Admiral, 281
Brush, Matthew C., 81
Bulkley, Robert J., 251
Bull, Charles Livingston, 161
Bunau-Varilla, M., 303
Burchard, Anson W., 180
Burling, Edward S., 102, 250
Burleson, Albert S., 325
Burroughs, John, 226–231
Burton, Dean Alfred E., 210

Campbell, Ira A., 251
Capps, Rear-Adm. W. L., 30-32, 64, 79
Carry, Edward F., 94, 99, 168, 187, 189, 190, 216
Carse, H. R., 90
Carter, Commodore A. F., 275
Casey, F. D., 160
Cecil, Lord Robert, 200, 310
Chamberlain, Senator G. E., 174
Chambers, Edward, 169
Chambers, Captain F. T., 216, 217
Charpentier, T. M., 275, 282, 288
Chubb, Hendon, 247
Clark, Champ, 14
Clemenceau, M. Georges, 274, 301, 305, 306, 308, 309, 311–313
Clementel, M., 200, 268, 269, 274, 291, 303
Cleveland, Grover, 8, 102, 320
Coffin, Haskell, 161
Cobb, Frank I., 326
Cohan, George M., 88, 89, 90
Cohan, Mrs. Helen Frances, 89
Cohen, B. V., 251
Colby, Bainbridge, 29, 30, 135, 137, 158, 198, 325
Collins, James H., 149, 151
Cook, George Crouse, 32
Coolidge, Louis A., 190, 193
Connick, Harris D. H., 80
Coonley, Howard, 92, 144
Cooper, F. G., 161
Cooper, Commander Spencer, 286
Cotton, Joseph P., 200, 251
Cox, Daniel H., 32, 49
Creel, George, 160
Crespi, Signor, 200, 268
Crowder, Gen. Enoch H., 30, 174, 175
Cummings, Homer S., 325
Cuno, Dr. F., 277, 280, 284, 288
Cuthell, Chester W., 251

Dana, John Cotton, 151
Dana, Professor William J., 212
Daniels, Secretary J., 65–67, 226, 319
Darling, J. N., 162
Daugherty, James, 161
Davey, W. N., 247, 251
Davis, Norman H., 275, 310
Davis, Professor, 199
Davison, Henry P., 17
Dawes, General Charles G., 272
Day, Charles, 71, 204, 205

Dearborn, George S., 216
DeForest, Robert N., 17
Delaney, James, 241
Denman-Goethals controversy, 17, 27
Denman, Wm., 27, 39, 40, 52, 65, 79
Dennett, R. C., 93
Dennison, Henry S., 109
Dent, Mr., 174
Devitt, Sir Thomas L., 145
Dillman, L. M., 151
Dollar, Robert, 61
Donald, John A., 27, 30
Donnelly, William T., 219, 222
Dow, L. H., 199
Doyle, Michael Francis, 253
Drew, John, 158
Dunn, Harvey, 161
Dunning, Major M. B., 200
Dutton, C. D., 199

Eastwood, Professor E. O., 212
Edison, T. A., 135, 136, 222, 225–231
Eggert, Herbert S., 248
Ellerman, Sir John, 145
Erzberger, Mathias, 276, 295
Eustis, F. A., 53
Ewing, David L., 168

Fabre, Naval Lieutenant, 275
Falls, C. B., 161
Fancher, Louis, 161
Farina, Signor, 288
Farrell, James A., 50, 167, 168
Felton, S. M., 106, 216, 217
Ferguson, L. R., 57
Ferguson, W. L., 32
Ferris, Theodore, 48, 49, 79
Fetterolf, A. C., 96
Field, Professor J. A., 199
Fillioux, Commandant, 288
Firestone, Harvey, 226–231
Flagg, James Montgomery, 161
Flannery, J. Roger, 185
Fletcher, Senator D. U., 68
Foch, Marshal, 125, 126, 271, 274, 275–285, 294, 295
Foley, Commander Paul, 200
Ford, Henry, 135, 225–231
Francqui, E., 288
Franklin, P. A. S., 48, 84, 101–104, 108, 140, 217
Fraser and Fraser, London, 153
Freemont, Commander J. C., 286
Fried, Captain George, 255
Furness, Lord, 145

Garfield, Dr. Harry A., 169, 319
Gay, Dean Edwin F., 109
Geddes, Sir Eric, 261
George, Lloyd, 53, 54, 75, 76, 119, 258–260, 274, 294, 295, 301, 302, 305, 308, 309, 311–313
Getz, Colonel George F., 277
Gibbs, William Francis, 108, 257
Gibson, Charles Dana, 159, 160
Gibson, Edward, 153
Gibson, Hugh, 288
Gilbert, Cass, 161
Giles, H., 161
Giusti, Commander Mario, 275
Glass, Senator Carter, 325, 327
Gleaves, Rear-Admiral Albert, 235
Goethals, General, 29, 40, 52, 53, 55, 65, 79, 251
Goldwise, Charles, 153
Gompers, Samuel, 187, 194, 195
Goodenough, Walter, 81, 87
Goodhue, Charles, 275
Gordon, J. R., 105, 145, 199
Gough, General Sir Hubert, 118
Grant, President, 320
Gray, Carl R., 169
Greene, J. D., 199
Griffin, John W., 248
Grover, Henry C., 221
Guthrie, Sir Connop, 102, 108

Haig, General, 119, 294, 295
Hamilton, Robert E., 81, 87
Harding, Senator Warren G., 67, 70
Harbord, General James G., 272
Harlan, John Maynard, 1–15
Harriman, Averill, 87
Harris, Rear-Adm. Frederic R., 65–67
Hayes, Sir Bertram, 242–244
Hedge, W. R., 247
Heineken, Philip, 277, 278, 288
Heinl, Robert D., 149, 152, 162, 180
Heinz, Howard, 275. 282
Henderson, Gerard C., 251
Heyworth, James O., 53
Hibberd, Captain I. N., 210
Hines, Brig.-Gen. Frank T., 131, 205
Hindenburg, Field Marshal, von, 119
Hitchcock, Sen. Gilbert M., 325, 326
Hodgson, Captain A. C., 216
Hoffman, Malvina, 161
Hog Island, 77–93
Holbrook, Frederick, 81, 87
Holl, Julius S., 152
Hoover, Herbert, 169, 264–275, 288, 297, 298, 310, 319
Hope, Rear-Admiral George W., 287
Horn, Tom, 154
Hotham, 275
House, Colonel E. M., 198, 264–275
Houston, David F., 325
Howard, Henry, of Boston, 210
Hunt, A. M., 219

Huger, Alfred, 250, 251
Hughes, Premier, 301
Hurley, Edward N., 11–13, 16–18, 30, 59, 127, 148, 150, 157, 181, 202, 226–231, 282, 306, 317, 327–335

Inberclyde, Lord, 145
Inchcape, Lord, 145

Jack, C. P. M., 50
Jackson, G. S., 200
Jellicoe, Admiral Sir John, 240
Johnson, E. Eades, 53
Johnson, Senator Hiram, 69
Jones, Thomas D., 9
Joubert, F. C., 168
Jusserand, French Ambassador, 170

Kerensky, Alexander F., 262
Keynes, J. M., 275, 288
Kiehne, Captain H. H., 241
Kirby, Rollin, 162
Kirlin, J. Parker, 107
Knight, Charles, 154
Knight, Peter O., 87
Koo, Wellington, 61

Lodge, T., 286, 288
Lodge, Sen. Henry Cabot, 39, 40, 324
Logan, Thomas F., 137, 256
Logan, Colonel J. A., 205–286
Lord, Frank B., 149, 152
Loucheur, M., 195, 200
Love, W. J., 108
Lackaye, Wilton, 158
Lamont, Thomas W., 288
Lansing, Sec'y R., 33, 35, 266, 268, 274
Lasker, Albert, D., 147
Lasteyrie, Charles de, 275, 288
Laurent-Vibert, P., 275
Laurent-Vibert, R., 282, 286, 288
Law, Mr. Bonar, 306
Lazzarini, Captain, 286, 288
Lee, Louis B., 151
Legge, Alexander, 166
Lewis, Sir Frederick W., 145
Leyendecker, J. C., 161
Lie, Jonas, 161
Liggett, Louis K., 213
Lilly, Joseph T., 108
Lincoln, President, 139, 320
Lippmann, Walter, 217
Little, H. H., 251
Livengood, W. W., 151
Ludendorff, von, 119

McAdoo, Secretary W. G., 103, 169, 319
McAuliffe, Pierce J., 32
McConnell, I. W., 81
McCormick, Cyrus H., Sr., 9
McCormick-Goodhart, Lt.-Com., 286
McCormick, V. C., 169, 198, 310, 319
McCumber, Senator P. J., 56
McCutcheon, John T., 162
McIlvaine, William B., 9
McKinley, President, 320
Macauley, C. R., 162
Maclay, Sir Joseph, 86, 145, 200, 268, 288
Macy, V. Everit, 187–189
Maguire, M. J., 155
Mallory, Clifford, 41, 48
Manson, Mr., 70
March, Gen. P. C., 120–125, 129, 134
Marshall, Dr. L. C., 193
Marsillac, Jacques de, 82
Mason, Arthur J., 71
Mauchan, R. B., 60, 61
Max, M. Jules, 286, 288
Maxim, Hudson, 222, 223
May, Pierre, 275, 282
Meaux, Commandant de, 286, 288
Melchior, Dr., 277, 279, 288
Meriwether, W. S., 149
Miller, Diver, 296
Miller, Professor Edward F., 211
Monnet, Jean, 288, 302
Monroe, H. L., 180
Monteagle, Lord, 38
Morgan, Wallace, 161
Morrow, D. W., 105, 199, 204–206
Muhlfeld, George O., 81
Murphy, Col. Grayson M. P., 17

Nevin, John J., 142
Nixon, F. K., 200
Northcliffe, Lord, 75, 86, 87, 171, 256
Norton, Charles D., 17

Obendorff, Count von, 276
O'Connor, T. V., 147, 218
Ogden, Bryan K.
Oliver, Captain Alfred, 241
Ordway, Lucius P., 200
Orlando, Signor, 301, 306, 308, 311, 312

Page, Charles R., 29, 30, 307
Page, Ambassador Walter H., 33
Parker, Judge E. B., 166
Patterson, A. M., 200
Paus, Herbert, 161
Payne, John Barton, 147, 148, 251
Pennell, Joseph, 161
Percy, Lord Eustace, 257
Pershing, General John J., 124, 132, 157, 174, 195, 204, 205, 256, 271–273, 278, 295
Pichon, M., 305, 306

Piez, Charles, 71, 122, 123, 137, 140, 142, 144 253
Pigott William, 144
Pillsbury, Captain A. F., 53
Pirrie, Lord, 145
Poma, Carlo, 275
Pope, Frank W., 111
Powell, T. C., 216
Powelson, Lieut.-Com. W. V. N., 236
Pratt, Captain W. V., 226, 235
Prevost, Miss M. L., 151
Prior, Laurens N., 32
Pryor, Prof. F. L., 212

Rantzau, Doctor, 285
Ratjen, Doctor, 277
Raymond, H. H., 48, 102, 108, 218
Reading, Lord, 119, 202, 268, 270, 271, 274, 291
Redfield, Wm. C., 16, 17
Rehak, Louis, 153
Replogle, Leonard J., 167
Reuterdahl, Henry, 161
Reynolds, D. M., 182
Ring, Welding, 96
Ripley, Prof. William Z., 218
Roberts, Prof. James, 212
Robinson, Dwight P., 81
Robinson, Henry M., 152, 182, 257, 286, 288, 304, 307, 308, 310
Robinson, R. H. M., 87
Rogers, W. A., 158, 159, 161
Rogers, Will, 158
Roosevelt, T., 1, 227, 228, 320
Rosseter, J. H., 48, 99, 216
Rousseau, Rear-Adm. H., 60, 216, 219
Royden, Sir Thomas, 36, 286
Rublee, George, 109, 200, 204, 207, 286, 292, 309
Ryan, John D., 108

Salter, Sir J. Arthur, 74, 87, 275, 282, 286
Sadler, Prof. Herbert C., 49
Sanders, W. J., 216
Saunders, W. L., 219, 225
Schock, Finner, 153
Schwab, Charles M., 135 137–140, 142, 144, 145, 317
Scott, Mr., 253
Scott, General Hugh L., 173
Scott, Sir Percy, 72
Secliger, Geheimrat, 277, 286
Shaw, Prof. C. E., 212
Shearman, L. H., 199, 204, 205
Sheldon, L. P., 200, 275, 282
Sheridan, Frank J., Jr., 161
Sims, Vice-Adm. Wm., 235, 238, 257
Sinnott, Arthur J., 217
Smith, A. H., 215
Smith, George T., 141
Smith, Senator James, Jr., 3–15
Smith, R. A. C., 216
Smull, J. Barstow, 96
Soleau, Mr., 27
Sonnino, Signor, 274, 306, 316, 317
Sousa, John Philip, 162
Spring-Rice, Sir Cecil, 36–38
Steed, Henry Wickham, 282
Stevens, Raymond B., 27, 29, 30, 191, 199, 200, 207, 217, 309
Stobbia, L., 286
Stone, Senator, 21
Stone, Charles A., 78
Sullivan, Roger C., 3, 14
Sutphen, Henry R., 50, 90

Taft, William Howard, 1, 17, 227
Tardieu, Andre, 95, 303
Taylor, Dr. Alonzo B., 170
Taylor, A. Merritt, 185
Theierichens, Commander, 241
Thomas, Augustus, 158
Thomas, J. H., 107
Thomas, L. I., 200
Tirpitz, von, 73
Tobey, E. C., 208
Townsend, Harry, 161
Tumulty, J. P., 18, 260, 317, 318, 325

Vanselow, Captain, 281
Villa, Signor, 200, 268
Vose, Prof. F. H., 212

Ward, Dudley, 275
Waterson, Colonel Henry, 9
Weimar, Herr, 287
Welsh, H. Devitt, 161
Weymiss, Admiral Sir Rosslyn, 288
West, Governor Oswald, 217
Whipple, Sherman L., 251
White, John B., 27, 29
Whitehead, Captain, 234
Whiteside, A. D., 200
Wiezbicki, Lieutenant, of France, 82
Wig, R. J., 57
Willemstyn, Max, 50
Williams, C. D., 161
Wilson, Admiral Henry G., 236
Wilson, William B., 325
Wilson, Woodrow, 1–16, 21, 22, 35, 75, 85, 86, 102, 124, 134, 173–182, 226, 227, 234, 256, 263–270, 274, 304–328
Winchell, B. L., 216
Winterfeldt, General von, 276
Wise, E. F., 286
Wood, General Leonard, 173

Yoshida, Colonel T., 82
Yung, Captain, 288

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